

The NATIONAL UNDERWRITER

Life Insurance Edition

Here are 17 of the reasons
why New England Mutual
is called "the insurance man's
life insurance company"

1. **WIDE VARIETY** of contracts available to meet any personal, business or pension need from age 0 to 70.
2. **FIRST-YEAR DIVIDEND.** It's not contingent upon payment of second premium. May be taken in cash or applied against first quarterly premium of second year.
3. **EARLY CASH VALUES.** Many policies have first-year cash values. Income contracts, issued at older ages, have cash values as early as three months after issue.
4. **LIBERAL CHANGE PRIVILEGE.** Conversion to higher premium plan requires only the payment of differences in reserves. Conversion to lower premium plan guaranteed if insurable.
5. **LIBERAL REINSTATEMENT** within 7 years after lapse—and without medical examination within 31 days after usual 31-day grace period.
6. **AUTOMATIC PREMIUM LOAN** provision available upon written request of insured.
7. **AUTOMATIC PAYMENT**, by accumulated dividends, of premiums unpaid at end of grace period.
8. **PROMPT CLAIM PAYMENT**—and 2% interest paid on proceeds from date of death to date of payment.
9. **FLEXIBLE SETTLEMENT AGREEMENTS** written, including right to leave proceeds at interest, with full or partial withdrawal rights. Six options included in contract.
10. **ALL INCOME OPTIONS** available on surrender whenever \$1000 has been accumulated in cash values and dividend deposits.
11. **LIFE ANNUITY OPTIONS** include cash refund and many other single life options, plus joint and two-thirds survivorship.
12. **PROOF OF DEATH** requirement one of the simplest in the business.
13. **DOUBLE INDEMNITY** coverage to age 70—not voided by any disability claim.
14. **CONVERTIBLE TERM**—five- and ten-year term renewable for successive periods without examination.
15. **UNPAID PREMIUM BALANCE** not deducted at death.
16. **LOWEST INTEREST CHARGE** in the business for quarterly and semi-annual premium payments.
17. **STRONG FINANCIAL POSITION** of company, and an outstanding record of earnings reinforcing its liberal dividend policy.

The NEW ENGLAND



MUTUAL

Life Insurance Company of Boston

THE COMPANY THAT FOUNDED MUTUAL LIFE INSURANCE IN AMERICA—1835

FRIDAY, JANUARY 29, 1954



"Ahem!"

Bankerslifemen Are Alert to Any Life Insurance Need

You most probably will not find the typical Bankerslifeman waiting until the pictured situation arises to detect an interest in and need for retirement planning.

Bankerslifemen are taught from their earliest days in their agency offices how to seek out people with insurance needs . . . how to help those people answer those needs. Their carefully supervised experience in the field and thorough home office schooling add to that knowledge and ability.

This very ability to help people recognize their life insurance needs makes the typical Bankerslifeman the kind of life underwriter you like to know as a friend, fellow worker or competitor.

BANKERS Life COMPANY
DES MOINES, IOWA

Just What the Client Ordered!

How many times has a prospective client said to you . . . "Why doesn't your company come out with one policy to cover all my sickness and accident requirements?"

NOW Illinois Mutual Casualty Company has a completely different

ALL-IN-ONE POLICY

Covering: • Lifetime benefits for total disability—accident • Five-year benefits for total disability—sickness, regardless of house confinement • Hospitalization • Surgical benefits • Blanket medical expense (accident) • Travel accidents • Accidental death . . . A COMPLETE package of protection.

Add this most valuable policy to your sales portfolio. Territories open in: Illinois, Indiana, Ohio, Michigan, Minnesota, Missouri, and Wisconsin.

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(non-assessable)

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E. A. McCORD
President

C. C. INMAN
Executive Vice-President



celebrating

25 Years of service!

with life insurance in force exceeding

\$505,000,000.00

PLUS: One of the most advanced agent's training programs in the nation . . . Supervised offices . . . Trained Group men to assist agents . . . An alert Underwriting and home office staff . . . Top commissions . . . Company outings . . . App-A-Week clubs and agent contests . . . the finest insurance plans.

**REPUBLIC NATIONAL
LIFE INSURANCE COMPANY**

Theo. P. Beasley, President

Home Office, Dallas

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GENERAL
AGENTS in

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MISSOURI • COLORADO
FLORIDA • NEW MEXICO
ARIZONA • WASHINGTON
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Building

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Dallas,
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LIFE INSURANCE COMPANY
OF AMERICA

WILLIAM E. NETTLE, president W. A. (BILL) LEWIS, agency director

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The NATIONAL UNDERWRITER

The National Weekly Newspaper of Life Insurance

58th Year, No. 5
January 29, 1954

U. S. Gives Up in Oates Case, Ends GA's Tax Plight

Decision Also Seen as Landmark in All Types of Deferred Payment Contracts

WASHINGTON—The solicitor-general has decided not to appeal from the U. S. seventh circuit court of appeals' unanimous decision upholding the tax court's ruling in the Oates case. This decision removes the last possible road-block from a type of arrangement that will mean very substantial income tax savings on post-mortem and post-retirement renewal commissions of general agents, and, in many situations, of personal producers as well.

The plan, entered into by James F. Oates, partner in the former Hobart & Oates agency of Northwestern Mutual Life at Chicago, provided that renewal commissions accruing to Mr. Oates after his retirement would not be paid as renewal premiums were received from policyholders, but that an agreed amount would be paid each year to him or his estate for the ensuing 15 years and that at the end of that period the company would pay whatever was still owing. This procedure avoids subjecting the high income of the early years to the extremely heavy tax rates.

The final outcome has been awaited with keen interest not only by Northwestern Mutual general agents but by general agents of many other companies as well. Generally speaking, the more a general agent is an independent entrepreneur and the less his situation partakes of that of a salaried manager, the more he stands to benefit by the right to level out the renewals that will come to him after he is no longer a general agent.

When the circuit court of appeals late last year unanimously upheld the unanimous decision of the tax court, general agents permitted themselves a qualified sigh of relief, for it seemed as if the case were so strong that even if the solicitor-general decided to ask the Supreme Court for certiorari the Supreme Court either would refuse to take the case or if it did, would decide in Mr. Oates' favor. There was, of course, the hope that the solicitor-general would decide he had a lost cause on his hands and carry the matter no further. His decision to do just that spares hundreds of general agents months of uncertainty.

Implications of a favorable decision were discussed at some length in THE NATIONAL UNDERWRITER for Nov. 20, 1953.

The Oates case has been closely followed not only by those with the problem of income taxes on renewal commissions paid after death or retirement but by nearly everyone interested in the promotion of deferred compensation contracts. The Treasury has been leery of committing itself on

FIRST CANDIDATE

Wis. Groups Back A. J. Nussbaum for NALU Secretary

A. Jack Nussbaum, Massachusetts Mutual Life agent at Milwaukee who is serving his fourth term as a trustee of National Assn. of Life Underwriters, has become the first candidate for election as NALU secretary at the next annual convention. His candidacy has been formally filed with the nominating committee.

The Wisconsin and all the state's local associations have endorsed Mr. Nussbaum. He has served in every elective office in both the Wisconsin and Milwaukee associations, and currently is secretary-treasurer of Massachusetts Mutual Life's Agents Assn. He also serves as a faculty adviser for the Purdue insurance marketing institute.

An extremely popular speaker at agents' meetings, Mr. Nussbaum has addressed gatherings in nearly every part of the country. His speaking schedule this year already is a full one and will take him to a large number of cities.

He started in the business at Milwaukee in 1929 and has been with Massachusetts Mutual ever since. He is a life member of the Million Dollar Round Table.

whether the assumed tax advantages in these contracts were valid and the outcome of the Oates case has been widely regarded as having an important bearing on deferred pay plans generally. However, the solicitor-general's decision not to carry the Oates case any further may well impair its value as a precedent for deferred compensation not involving life insurance renewals, since the Treasury might try to distinguish between the Oates case and deferred compensation plans involving salaried executives. On the other hand, there is some speculation as to whether the decision not to appeal the Oates case may not mean that the Treasury is ready to give up the cagey attitude toward approving deferred pay plans.

A. J. McAndless Dies; President of Lincoln National

A. J. McAndless, 63, president of Lincoln National Life, died at Baptist hospital in New Orleans. He had gone there to address two sales meetings of company agents. Death was attributed to coronary thrombosis. He suffered a heart attack while playing golf. Funeral services were held at Fort Wayne Thursday afternoon.

Mr. McAndless had been president of Lincoln National since 1939 and with the company since 1919.

Recognized as one of the truly outstanding leaders in the life insurance business, Mr. McAndless, though a strongly loyal company man, was ever ready to lend his full efforts in solving problems common to the industry. He was an assiduous worker on top-level inter-company and trade association committees. He was a sought-after speaker at insurance gatherings, and the various articles on topical insurance matters he contributed to publications were valued and read with interest.

Mr. McAndless was president of American Life Convention in 1942. A fellow of Society of Actuaries, he long was active in actuarial affairs and was a past president of American Institute of Actuaries. Among his important committee services was chairmanship of the joint ALC-LIA committee on federal income taxation of life companies.

A Phi Beta Kappa graduate of the University of Michigan, Mr. McAndless got his first insurance experience with Grange Life of Lansing and then for two years served as actuary for Detroit Life. He started with Lincoln National in underwriting work, was elected assistant secretary in 1921, secretary in 1926, vice-president in 1930, and executive vice-president in 1936. He had been a director since 1924.

Besides being president of a leading life company and serving on the ALC-

(CONTINUED ON PAGE 19)



A. Jack Nussbaum



A. J. McAndless

Hogg Named Senior Vice-President of Equitable Society

Resigns ALC Position;
Will Assume New Duties
in New York April 1

NEW YORK—Robert L. Hogg has resigned as executive vice-president of the American Life Convention to become senior vice-president and advisory counsel of Equitable Society. He will assume his new duties April 1.

Mr. Hogg joined the Assn. of Life Insurance Presidents, predecessor of Life Insurance Assn. of America, in 1935 after having served in Congress as a representative from West Virginia. Before that he was prosecuting attorney of Mason county, W. Va., and then was a state senator. In the Life Presidents' Assn. Mr. Hogg played a prominent role in connection with the enactment of important life insurance legislation in New York state. He also served in an advisory capacity in test litigation in life insurance, including numerous suits to determine the taxability of annuity considerations under state premium tax acts.

In 1944 Mr. Hogg resigned as associate general counsel to become manager and general counsel of the ALC. He later became its executive vice-president and general counsel. Following the U. S. Supreme Court decision establishing the interstate commerce status of insurance business conducted across the state lines, Mr. Hogg was active in the work of the all-industry committee of the insurance business in connection with the enactment of the McCarran act of 1945, known as public law 15, which assured to the states the supervision and taxation of insurance companies.

In 1952 Mr. Hogg attended the International Labor Organization conference in Geneva as an observer for the ALC in connection with consideration of the international covenant providing minimum standards of social security.

In 1950, with the opening of an ALC office in Washington, Mr. Hogg moved from Chicago to that city, where he now resides and from where he has continued to have over-all supervision of ALC operations.

Mr. Hogg has written numerous articles and papers on legal and insurance subjects and is a co-author of *Hogg's Pleading and Forms, Fourth Edition*, a work prepared for West Virginia practice. He is also one of the authors of a legal volume recently off the press, *The Insurance Contract*.

Mr. Hogg graduated from the University of West Virginia with academic and law degrees. With the exception of military service in the first world



Robert L. Hogg

Late News Bulletins . . .

J. Howard Oden Dies of Heart Ailment

NEW YORK—J. Howard Oden, 62, president of North American Reassurance since 1948, died of a heart attack while attending the Scarsdale Golf Club's annual dinner. Mr. Oden, a Texan, was with Southwestern Life and Southland Life as an agency executive before joining North American Reassurance in 1926. Before becoming president he did a great amount of traveling to promote the company's business and there were few home offices that he had not visited. Insurance executives liked him for his genial personality and respected his business judgment. He was often asked for counsel not only on reinsurance problems but in the entire gamut of company matters.

(Additional Late News on Page 20)

Columbian National Control Declared to Be Not for Sale

BOSTON—President Julian D. Anthony of Columbian National Life has issued a statement which says that "because of stories and rumors which have come to my attention, I have been in contact with the largest stockholders owning a majority of the stock of the company. They state that they are pleased with the great success the company has achieved and that they have not authorized anyone to offer the stock they own for sale. For the most part these blocks represent holdings of a great many years and stockholders who have been active participants in bringing the company to its present position."

The statement also said that preliminary reports being prepared indicate that the company "had a successful year in 1953" and that the final figures of the year's results will be available at the annual stockholders' meeting late in February and will be released at that time.

BASIS OF REPORTS

NEW YORK—Rumors about control of Columbian National Life being up for sale appear to have originated in the sale last November of Roger W. Babson's holding to William Less, New York City investment man, who was recently elected a Columbian National director. However, these shares amount to less than 10% of the company's stock and there are two other stockholders with larger holdings.

Eisenhower Plan, FTC Probe to Be Discussed

H&A Underwriters Conference at its hospital-medical meeting in Chicago Feb. 8-10 will apprise the members of the latest developments as to President Eisenhower's reinsurance plan and the investigation being conducted by federal trade commission.

H. Lewis Rietz, Lincoln National Life, conference president, will comment on the administration's reinsurance plan. John P. Hanna, conference managing director, will discuss the FTC investigation. Mr. Rietz is one of the insurance executives who has been asked by Mrs. Oveta Hobby, secretary of health, education and welfare, to draft the reinsurance legislation.

Mr. Hanna was one of the industry representatives attending a briefing session in Mrs. Hobby's office when the program was announced, and he has reported the government is interested in extending more voluntary insurance to older persons. The administration attaches a high priority to its reinsurance program, and this leaves the insurance business in the immediate future free to work out a system for covering the old age group.

Clark to Mutual Benefit

Lee Clark will become general agent at Harrisburg for Mutual Benefit Life Feb. 1. He has been with Bankers Life of Iowa since 1938 and as its manager at Harrisburg since 1947. He is president of the Harrisburg Life Underwriters Assn. and past president of the Harrisburg General Agents & Managers Assn.

Citizens L. & C. Reinsured

The California department has approved a reinsurance proposal under which Beneficial Standard Life of Los

Early Reports from Company Statements Bear Out 1953 as Banner Insurance Year

CONNECTICUT MUTUAL

Total benefit payments of Connecticut Mutual last year amounted to \$82,207,859, a company record for a single year. One of the significant facts brought out by the report is that it takes the entire interest earnings on \$100 million of the company's \$1,012,849,558 assets to pay state and federal taxes, which last year amounted to \$3,813,839. New insurance amounted to \$327,943,466. Insurance in force increased \$207,559,566 during the year to \$2,655,263,707.

Total income was \$159,939,531, of which 56.7% was premiums; 24.6% was earnings on investments. The balance, 18.7%, consists of policy proceeds, dividends and other funds left with the company at interest.

The net rate of return on invested assets, after deduction of all investment expense and federal income taxes, was 3.58% as against 3.54% in 1952.

Net earnings from insurance operations amounted to \$24,643,798. This amount less dividends to policyholders of \$17,400,000, together with the net investment gains of the year of \$930,506, was allocated to special reserves and unassigned funds as follows: added to market fluctuation and investment contingency reserve, \$1,786,892; added to security valuation reserve, \$2,408,375; added to surplus (unassigned funds), \$3,979,237; total \$8,174,304.

CROWN LIFE

For the first time, applications to

Angeles is taking over the business of Citizens Life & Casualty. Citizens' assets became impaired when Citizens General was declared insolvent by the California department. The latter company was a wholly owned affiliate of Citizens Life & Casualty. At the end of 1952, Citizens had \$2,414,361 of insurance in force.

Citizens has ceased to operate. Beneficial Standard will assume all its business and collect premiums on outstanding policies, retaining 25% as its compensation. From the remaining 75% it will pay agents' commissions, cost of any litigation, taxes and losses. Any balance remaining or any deficiencies will be charged to the ceding company.

May Up New World Capital

New World Life of Seattle will hold a directors' meeting Feb. 9 to consider a proposal to increase capital from \$1,134,500 to \$2 million. The directors also will consider a proposal that the company enter the A. & H. field.

Early last year Farmers group of Los Angeles bought about 60,000 of New World's 113,450 outstanding \$10 par value shares at a price of \$34. The bid price for the stock Tuesday was \$33 per share, up considerably from its level of a few months ago.

Prather Buffalo Speaker

O. E. Prather, director of the eastern division sales training school of Mutual Benefit H. & A., will address the Feb. 1 meeting of Western New York A. & H. Assn. at Buffalo.

Jefferson Standard School

Jefferson Standard's career school for 55 agents will be held Feb. 1-6 at the home office and will cover business insurance, programming, taxation and other specialized subjects.

Crown Life for new policies exceeded \$200 million. Insurance in force increased to \$1,123,000,000. A&H premium income exceeded \$1 million, more than double the 1952 figure.

Assets increased from \$164,125,378 to \$181,676,122. Average gross rate of interest realized on investments was 4.42%, compared with 4.25%. In Canada alone, the rate was 4.82%; in the United States, 3.90%; and in other countries combined, 3.68%. Capital and surplus totalled \$12,781,598, up from \$10,160,068.

Benefit payments exceeded \$14 million, two-thirds of that amount going to living policyholders.

PROVIDENT LIFE, N. D.

New insurance paid-for of Provident Life of North Dakota in 1953 amounted to \$16,794,295, up from \$15,812,528. Insurance in force increased from \$126,181,625 to \$134,546,061. Assets reached \$28,315,829, a gain of \$2,858,224. Capital and surplus of \$2,078,993 is higher by \$177,979.

WESTERN & SOUTHERN LIFE

Increases of \$48,667,877 in assets, and \$174,124,970 in insurance in force were registered by Western & Southern Life in 1953. The figures now are \$556,161,536 for assets and \$2,693,504,976 for insurance in force. The company has \$39,609,192 surplus and carries a \$1,069,210 security valuation reserve, \$6,150,000 contingency reserve, and \$3,250,000 policy valuation reserve.

State Life, Indiana, Ups Nicholson, Sullivan

State Life of Indianapolis has named Meredith Nicholson, Jr., vice-president and a director and William J. Sullivan actuary.

After several years experience with a general insurance agency, Mr. Nicholson went with the Indiana department, serving seven years as field examiner and five as chief examiner. He went with State Life in 1945, later becoming assistant vice-president.

Mr. Sullivan, a fellow of Society of Actuaries, started with the company as actuarial clerk in 1946 and was promoted to associate actuary in 1950. He is an air force veteran.

Lohm to Manhattan Life

Manhattan Life has appointed Frederick W. Lohm as superintendent of agencies, eastern division. He has been with Home Life of New York 18 years, most recently as head of the training department. He traveled as a field assistant for four years and served as assistant manager in Newark, Paterson and Philadelphia.

N. W. Nat'l Adds Two Directors

Northwestern National Life has elected Thomas M. Crosby, manager of mill feed sales for General Mills, and Robert Faegre, executive vice-president of Minnesota & Ontario Paper Co., to the board. This increases the number of company directors to 17.

'53 Sales Top \$40 Billion, Including Creditor Coverages

During 1953 sales of life insurance in the United States exceeded \$40 billion for the first time, according to LIAMA.

The preliminary total of the year's sales, including all credit life insurance business, shows a figure of \$40.1 billion, compared with \$34,439,000,000 in 1952 and \$29,450,000,000 in 1951. Reporting December and 12-month sales figures exclusive of credit policies, as these monthly reports are carried regularly, LIAMA said that December sales were up 9%. The 12-month total was up 15%.

In December, total sales on this basis were \$3,767,000,000. For the 12 months, the total was \$36,400,000,000. December sales of ordinary were \$2.2 billion up 12%. Group was \$1,090,000,000, up 4%. Industrial was \$477 million, up 6%.

For the year, sales or ordinary were \$23.4 billion, up 15%, group \$6.6 billion, up 26%, and industrial \$8.4 billion, up 7%.

Robert K. Ryan Elected President of Peoples Life, Ind.

Robert K. Ryan, formerly vice-president and general counsel of Peoples Life of Indiana, has been elected president, succeeding the late Arthur Louette, and will retain his post as general counsel.

Mr. Ryan was named assistant general counsel of the company in 1939 and in 1941 was named general counsel and a director. He was elevated to vice-president in 1951. He heads the Frankfort, Ind. law firm of Ryan & Ryan.

MDRT Men Misidentified

In the text preceding the listing of the first group of Million Dollar Round Table qualifiers, Lisle Spencer should have been shown as being with Equitable Society, not Equitable of Iowa. Jacob W. Shoul is with Mutual Life at Boston, not Massachusetts Mutual, and David Marks, Jr., is with New England Mutual at New York, not with Massachusetts Mutual at Atlanta.

American, Ala., Ups Dividend

American Life of Alabama is paying an annual stock dividend of 75 cents per share, representing an increase of 25 cents.

To Detail Talks

at N. Y. CLU Meet

The estate planners conference staged by New York CLU chapter was a highly successful gathering at which legal, tax and practical difficulties of the business interest in estate planning were discussed. Samuel L. Zeigen, general agent of Provident Mutual at New York, moderated a panel comprised of Abraham S. Guterman, New York attorney; William McKinley, vice-president of Bankers Trust Co. at New York, and David Zack, a New York CPA and attorney.

Summaries of the various presentations will appear in next week's issue.



Frederick W. Lohm

January 29, 1954

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Clamp Interest Tax on Option Proceeds Over First \$50,000

Dependents of Deceased Employees Face \$5,000 Limit on Gross Benefits

WASHINGTON—The House ways and means committee has agreed on a provision to limit the income-tax-free status of the interest element in installment payments of life insurance proceeds to the first \$50,000 of proceeds. The interest element would be subject to tax only on the portion in excess of \$50,000. Lump sum payments would not be taxable, no matter what the amount.

The committee decided that the payment of the income-tax-free benefit of \$5,000 by employers to dependents of deceased employees should be limited to \$5,000 per employee.

Under the present law there can be as many \$5,000 benefits as an employee has employers. The committee would also change the present law so the tax-free status would no longer depend on an agreement made in advance of death. Absence of this requirement would probably make it somewhat more difficult to get employers to fund such an arrangement through life insurance, since there would not be the same inducement to set up a formal plan before the employee's death.

The committee would also clarify the existing law by a statement that the exclusion is not available where the employee has a nonforfeitable right to the benefits before death. The committee would adopt a provision coordinating the \$5,000 death benefit exclusion with its proposed new annuity rule by adding \$5,000 to the employee's "consideration" which will be recovered tax free, in the case of annuities or pensions payable to the deceased employee's beneficiaries.

Earlier the committee agreed to back the "life expectancy" rule for taxing income from annuities, which would replace the present "3%" rule. The change has long been urged by the companies and agents organizations. The annuitant's life expectancy when he started receiving income would be divided into what he paid for the annuity and he would be allowed that much exemption each year, the remaining income each year being taxable.

An employee annuity, however, would not be taxed under this rule if amounts to be received in the first three years would equal or exceed his cost for the annuity. In such cases all the income would be excluded until the exclusions equal his cost and after that the entire payment would be taxable. For non-contributory annuities there would be no exclusion.

The committee also voted to exempt from taxation only the first \$100 a week of sick benefits paid to employees, one purpose being to stop tax exemption of high payments to business executives who take a rest cure and regard their salaries as tax-free sick benefits.

The \$100 a week limitation would also apply to benefits from state funds to which the employer has contrib-

uted or through a fund set up by the employer.

"While the courts have held the insurance benefits and state fund benefits to be non-taxable, the tax status of employer fund benefits is not clear," the committee stated. "The committee decided to clarify the tax status of these health and accident benefits by providing a uniform set of rules for all three of these types of benefits."

These rules would make it necessary for plans to meet substantially the same qualifications as approved pension plans under section 165A of the code, notably with respect to non-discriminatory distinction.

The committee approved a provision that would exclude from the employee's income contributions by employers to health or accident plans. There is no comparable provision in the present code.

Companion's New Policy

Companion Life has announced its "20-20 plan," which provides premium paying for only 20 years, and if the insured is then living all premium deposits are returned. During the 20-year premium paying period protection is provided for the full original face amount of insurance. At issue ages of 43 and over, the cash value will exceed the original face amount as the policy approaches the 20th year, hence the contract provides that the death benefit is the original face amount or the cash value, whichever is the greater. After 20 years of deposits have been made, the insured may select paid-up increased protection for life without evidence of insurability or he may select a paid-up policy for the original amount plus cash. The paid-up increased policy is the automatic option if cash or paid-up plus cash options are not selected.

Use of Personal Health Services and the Extent and Effects of Insurance

NEW YORK—Health Information Foundation has published the results of its survey of medical costs and voluntary health insurance, the first national survey in 20 years in this field.

It shows that consumer expenditures for personal health services in the U.S. July 1953 through June 1953 were \$10,200,000,000. This includes dental services, medicines, etc., as well as hospitals and physicians. It also reveals:

That 58% of the population, or 87,500,000 people have some type of health insurance.

That 57% of the population, or 87,400,000, are covered by some type of hospital insurance.

That 48%, or 74,500,000, have some surgical or medical insurance.

That the costs incurred are \$2 billion for hospitals, \$3.8 billion for physicians, \$1.6 billion for dentists, \$1.5 billion for medicine and \$1.3 billion for "other". Half the hospital costs were covered by insurance benefits, 13% of physicians' costs, 1% of other costs, and less than \$50 million each of the dentists' and medicine costs. Only 15% of the total charge for personal health services is covered by insurance.

That 15% of the families, or 6,500,000, are in debt to hospitals, physicians, dentists and other suppliers of medical goods and services to the tune of \$900 million, and families owe financial institutions and individuals \$200 million for charges arising from personal health services—grand debt total, \$1,100,000,000.

100,000,000.

The conclusions of the survey are based on facts gathered in a house to house canvas of 2,809 families representing a validated sample of the national population. It is the first nationwide survey of its kind since the series of studies conducted by the committee on the costs of medical care 1928-1932.

The project, sponsored by Health Information Foundation, was conducted under supervision of Dr. Clyde Hart for National Opinion Research Center; Dr. Odin W. Anderson, research director of HIF, organized the results and prepared the reports.

The purpose of the survey was to discover the relationship between family medical costs and illness, the bearing prepaid health insurance plans have on this relationship, and attitudes toward health needs and insurance. It was also to study family debt in relation to illness to learn if debts are related to medical costs or to other financial obligations and if lack of insurance is a factor.

A study also was made by NORC of the services rendered by health insurance in selected areas. This included a sampling of Blue Cross, Blue Shield and private insurance policyholders in Birmingham, Ala., and Boston. This report will be published late this year. It sought data on the economic impact of illness not covered by insurance, the effect of insurance plans on the use of health services and facilities, and the desire for additional coverage by subscriber.

The medical costs-insurance study reveals that by family income, 41% of those under \$3,000 have some type of health insurance and 80% of families over \$5,000. In urban areas 70% of families are enrolled in some type of health insurance plan; in rural-farm areas, 45%. Of families with health insurance, 80% obtained it through their place of work or through an employed group.

The study shows that hospital insurance, which covers more than half the population, is divided almost equally between Blue Cross and private insurers. Of the almost 50% of the population enrolled in surgical or other medical insurance, 4% are covered by substantially complete physicians' services. Coverage here by private insurers exceeds that of Blue Cross and Blue Shield.

Noting the difficulty of defining a standard of adequate coverage in terms of range of services, the report states that for those who believe services provided by prepaid plans should be substantially complete, the coverage is very inadequate. But on a standard of coverage of hospital care and in-hospital physicians' services only, present coverage is more adequate.

A higher percentage of the population is enrolled in health insurance plans in the northeast and north central regions than in the south and west. Enrollment in private hospital insurance is double that of Blue Cross in south and west, but Blue Cross has more than double the private insurer enrollment in the northeast and a slight edge in north central.

The insurance (15% of the total) is broken down 50% hospital charges, 13% all physicians' services, 38% sur-

(CONTINUED ON PAGE 17)



The COMMONWEALTH Commentary

President's Trophy Winners



Don B. Cowthorne, Manager,
West Kentucky Agency of
the Branch Office Agencies.



Robert H. Breckenridge,
Manager, Owensboro District
Agency of the District
Office Agencies.



Paul W. Myers, Manager,
Dayton District Agency of
the District Office Agencies.

INSURANCE IN FORCE, December 31, 1953 — \$712,813,006

COMMONWEALTH
Life Insurance Company

HOME OFFICE • LOUISVILLE, KY.



The Doorway to Security

Financial Forecasters in N. Y. Panel Indicate Need for Selective Prospecting

NEW YORK—Even though not all lines of business will reach as high peaks as they did last year, 1954 looks like an outstandingly excellent year for those agents willing to season their prospecting with even a modicum of discrimination. At least, that was the impression gained from listening to four of the country's top financial and business writers who appeared on a panel of the New York City Life Underwriters Assn. Several hundred members were on hand in an endeavor to get a better line on what is likely to happen this year in various types of business.

Acting as moderator was Clifford B. Reeves, public relations vice-president of Mutual Life.

Ralph Hendershot, financial editor of the New York World Telegram & Sun, said he doesn't think we are in for much of a depression or even a serious slump in business. He pointed out that there has been some readjustment already. The textile industry has gone through a sort of recession. Since July, in business generally, there has been quite a decrease in inventories and production has gone down but business is still about 25% ahead of what it was in 1947-49.

"We are still a long way from anything that looks like a depression," he observed.

Mr. Hendershot said that President Eisenhower's program should provide a lot of reassurance. He recalled that the formation of the Federal Deposit Insurance Corp. restored the people's confidence in the banks, even though the FDIC has never had enough money to take care of a widespread bank run wave. Yet it was effective in keeping

runs from getting started. He said he was quite sure that the program that the administration presented will prevent a depression from getting started.

The wage level is the highest on record and "so long as we can keep things from getting out of hand we will go along nicely." At the same time, Mr. Hendershot said he didn't believe that "we can talk ourselves out of a depression" because so much depends on who does the talking. A giant corporation's chief executive or a big banker might have some effect but no matter what most people would say it would have scant effect.

George Shea, financial editor of the Wall Street Journal, recalled that there was a "minor halting" from the middle of 1951 to the middle of 1952 but that the latter part of 1952 was marked by an upsurge that was still in effect when the first of these financial forecast panels was run by the life underwriters association a year ago.

However, the downswing that is in effect now is somewhat more noticeable and there is no telling how long it will continue. He said it is most apparent in steel operations. He feels that the best barometer of business is steel. If the steel production facilities are fully engaged all is well. If not, the percentage of inactivity is a pretty good gauge of business conditions. He said that steel mills are now running at about 75% of capacity whereas a few months ago they were at 100%.

There are four reasons why the current downswing is a logical development. The nation has come to the end of a period when it (1) conducted a war; (2) increased its plant capacity for war purposes; (3) filled an increasing civilian demand for goods; and (4) built plant capacity to take care of the civilian demand developed at a new high rate of prosperity.

Of these four, Mr. Shea pointed out that three are either absent or greatly reduced. The war is over. The preparation for production of war goods is about over, as the capacity for producing materials for defense has just about been built up. The building of plant capacity for civilian demand is also leveling off. With these three influences so drastically reduced there is bound to be less activity until civilian capacity to consume grows up to the present enlarged plant capacity.

It is true, he conceded, that a lot of manufacturing machinery is worn out and obsolescent and could be replaced by more efficient machinery but nevertheless the demand is off and a "breather" is necessary. However, in the long run the increasing population and new inventions will head off any slump before it gets "too terribly deep," Mr. Shea observed.

Louis Schneider, trade and business columnist of the Bell Syndicate, disclaimed any credit for bright ideas of his own, saying he was only quoting other people. He said that this is the time for all business men to face the facts of economic life; that 1954 will be a good year even though little minus signs are around and more and more of them are being seen all the time. He mentioned inventory cuts, both in the wholesale and retail fields, and said that most executives mean it when they say that they must cut back their

operations because they haven't the demand.

Talk of government aid to bolster the economy is just talk, said Mr. Schneider. It would take months to get anything like this rolling. He posed the question whether the government should permit readjustment to take place in accordance with economic law or should try to keep business going under its 1953 head of steam. He quoted the Guaranty Trust Co. of New York as being in favor of permitting a natural recession to occur to correct imbalances and bring back the lost art of salesmanship. Government intervention, according to the bank, could eventually result in disastrous economic consequences. You can't prevent a dead horse from falling, Mr. Schneider observed.

but that may be a good sign because it shows we are on the alert and can do something about it," he said. Mr. Kramer noted that when moving away from a peak there are two possible courses. One is down a steep decline into a business depression and the other is to amble down a more leisurely trail.

"If you want to bet you'd be safer in putting your money on the gradual decline," he said.

He predicted flatly and confidently that "no flying saucers will land this year" but he said he was not sure about anything else.

Exploring the major factors in the 1954 picture, he said there is first, what the government is going to do, second, what business is going to do, and third, what the consumer is going to do.

It is pretty certain what the government will do. It may spend a few billion less but it is also instituting tax cuts. Parenthetically, he told the agents that if he were in the life insurance business he would try to persuade people to put their tax savings into life insurance.

As to what business is going to do, he said it will spend a lot of money on plant and equipment even though this would probably be about 4% less than the record year of 1953. What business does in the way of production depends pretty largely on the third and most important factor—what will the consumer do?

Mr. Kramer was more optimistic than Mr. Schneider about the chances that the savers among the public will draw on their reserves sufficiently to help the economy to any appreciable extent. He recalled that in 1949 when there were nearly 5 million unemployed a big factor in the recovery was that consumers spent a lot of money out of savings. The question is whether they will do it again.

Consumers can be coaxed to spend their money, Mr. Kramer opined. The ability to sell still exists, which is equally as important as the willingness of the consumer to spend.

Mr. Kramer summed up the economic outlook by quoting from the "Smalley Smiles" column of the Perham, Minn. Enterprise-Bulletin to the effect that for business men and farmers 1954 will probably be "a good

(CONTINUED ON PAGE 18)

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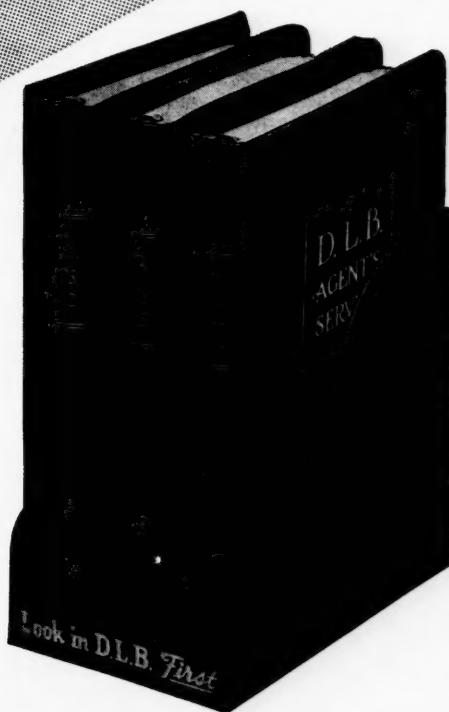
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Pacific National Life marked its 25th anniversary at a luncheon at Salt Lake City, at which time it was announced a new addition would be added to the home office building. Construction will start in the spring. Standing left to right at the banquet table are Walter M. Jones, Utah commissioner; Louise D. Larson, assistant treasurer; Ray H. Peterson, president; Marion Harmon, assistant secretary, and Mayor Earl J. Glade of Salt Lake City. Also present was Virgil Smith, vice-president of Beneficial Life. Two directors, J. L. Firmage and D. A. Taylor, received 25-year pins, as did Mrs. Larson and Mrs. Harmon.



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Film Executive Calls U.S. Health Reinsurance Program a Delusion

WASHINGTON—The government should not get into the insurance business, either by the direct payment of claims or through reinsurance of such claims, said Benjamin Lorber, insurance manager of Universal Film Exchanges Inc., New York City, in his testimony at the Wolverton committee hearings on health and medical care insurance.

"I am quite confident that the insurance industry and any other type of organization that provides insurance through the prepayment for medical care can adequately service the medical needs of our country, provided, however, that the supply of medical care is adequate and properly distributed so as to service all areas of the country," he said. "I have no quarrel whatever with the government making available \$50 million for the service type plans and organizations, but I respectfully submit that the enactment of HR 6949 (the Wolverton bill) and the making of these funds available as proposed in the bill, will delude the American people into believing that these funds will prove to be the panacea for all its medical ills and needs."

"If we must subsidize these service type prepaid medical care organizations, then let us label it for what it is, and not claim that as a result of such legislation a substantially larger part of the nation will have available to it adequate medical care at low cost. I do not feel that the reinsurance program set forth in HR 6949 will in any way decrease the cost to the subscribing members and therefore will not attract any additional low income people. I do not believe that it will facilitate the broader distribution of health services, as the bill intends."

Mr. Lorber pointed out that the Wolverton bill limits its benefits to the medical and hospital service organization, on the Blue Cross pattern, and excludes any type of plan providing

for direct cash benefits. He called the committee's attention to page 11 of the annual survey of the Health Insurance Council as of Dec. 31, 1952, which analyzes by type the coverage provided for 36 million people who have this protection. This survey shows that 10 million of these 36 million are covered by group insurance and 5 million by individual contracts so that there are 15 million or 42% of the total number of people having some form of medical expense insurance covered by direct payment plans.

Mr. Lorber said that the chart also shows that 18 million are covered by Blue Shield and other plans sponsored by medical groups and societies providing direct service contracts. The other 5 million of the 36 million are covered by small local independent plans, 3 million people being included in plans set up by industrial employers and 1 million by college health plans.

The Wolverton bill, said Mr. Lorber, makes a specific point about applying to "non-profit" types of organizations. "I know of no term in the field of medical care about which there is so much confusion and so little definition," said Mr. Lorber. "If we define 'non-profit' as an organization that does not have stockholders who receive dividends, then I must submit that the characterization of 'non-profit' must apply with equal effect to the mutual life insurance companies providing direct benefits as it does to the service type organizations. I therefore cannot reconcile the specific exclusion contained in the proposed bill with the facts."

Congress, said Mr. Lorber, would serve the American people well and would accomplish the objectives set forth in the Wolverton bill if it enacted legislation that would implement the four proposals made by President Eisenhower; namely, added assistance in the construction of non-profit hospitals for the care of the chronically ill, assistance in the construction of non-profit medically supervised nursing and convalescent homes, assistance in the construction of non-profit rehabilitation facilities for the disabled, and assistance in the construction of non-profit diagnostic or treatment centers for ambulatory patients, and in addition thereto, subsidize and if necessary create, medical schools so that the supply of doctors and nurses may be increased.

Mr. Lorber took issue with some of the statements of industrialist Henry J. Kaiser, who earlier testified before the committee in support of the Wolverton bill. Mr. Kaiser had said that the bill would "stimulate investment of private capital in the construction of self-supporting hospitals and other medical facilities and would supply group health insurance plans within the people's means." He also indicated that the adoption of the bill would provide low cost prepaid medical care for 30 million Americans.

"I concede that the service type of organization performs a wonderful service to the community in which it may be located," said Mr. Lorber. "I also concede that these service organizations afford facilities within their respective communities which would have been non-existent but for the generosity, perspective and good judgment of those who created these medical service organizations and facilities. I submit, however, that this type of organization providing prepaid medical care must of necessity be located in the larger metropolitan centers such as



Participants in the estate planners conference staged by the New York City CLU chapter: Abraham S. Guterman, New York attorney; Samuel L. Zeigen, Provident Mutual general agent; William McKinley, vice-president of Bankers Trust Co. of New York, and David Zack, New York CPA and attorney.

Coast, Southwest Got \$7 Billion Life Funds in Last Seven Years

NEW YORK—More than \$7 billion of life insurance funds has been invested in the southwest and Pacific Coast states since the end of the second world war, according to the Institute of Life Insurance.

The life insurance investments in the west south central and Pacific states showed the greatest rate of gain in the seven-year period. The rise in such investments in the Pacific states, comprising Washington, Oregon and

New York, Chicago, Los Angeles, Philadelphia, etc.; that most of these prepaid medical service plans, primarily Blue Shield, confine their service to the very low income group, those family groups earning approximately \$3,600 or less annually.

"I do not believe that the granting of subsidies to such organizations, even if such subsidies are in the form of re-insurance, will accomplish the results that Mr. Kaiser indicates would be attained. I believe that HR 6949 is specialized legislation affecting but a small segment of the American population and at best will be only a very small, partial answer to the problem of providing adequate medical care to all of the people of the United States.

"May I further suggest to this committee that perhaps it should first look into the setup of these direct service organizations and the type and extent of coverage provided by such plans. In my direct statement to this committee I indicated that a sound plan, and I believe that the Universal Pictures plan outlined to the committee is sound, must be an all-inclusive plan and should not contain any limitation nor exclusion as to type of illness."

"What do some of the prominent service type plans do in this connection? The Health Insurance Plan of New York, commonly known as HIP, takes care of its members who may require psychiatric treatment or treatment for mental disorders only up to the point of diagnosis and then tosses them out on their own for treatment. The same applies to tuberculosis cases, cases of alcoholism, and drug addiction and to certain other contagious illnesses. When the going gets tough and it looks like the costs of medical care may run high and over an extended period of time, that is when HIP moves out."

California, was 116%; in the west south central states, comprising Arkansas, Louisiana, Oklahoma and Texas, it was 113%. Total life insurance investments of the U. S. life companies included in the survey rose 58%.

At the start of last year, these companies had \$6.7 billion invested in the Pacific states, a rise of \$3.6 billion since 1945. They had \$3½ billion in the same seven years.

The largest regional block of life insurance investments at the start of last year was that in the middle Atlantic states, comprising New York, New Jersey and Pennsylvania. The total in that region was \$12.3 billion, an increase of \$2.9 billion. This represented a rise of 31% from the 1945 figure. The other geographic regions showed increases varying from 18% to 75%.

Jamison & Phelps Holds Annual Sales Congress

The Jamison & Phelps Northwestern Mutual Life agency at Chicago, at its annual meeting, heard Charles B. McCaffery, assistant director of agencies; Benjamin E. Redfield, Jr., of Northwestern Mutual Life at Boston, and William Heath of Harris Trust & Savings Bank, Chicago. Chairman for the morning session was Walter W. Tiesing of the agency.

Following the morning business session there was a luncheon meeting for the entire Jamison & Phelps agency, which included wives and secretarial personnel. N. D. Phelps served as toastmaster. In giving the report of the 1953 business, Mr. Phelps said that by all odds it was the best year the agency ever had. Gross total of paid business came to \$18,219,000, which brought total insurance in force to \$237 million. It was the second best year in conversions, with \$2,008,900. Average production, including conversions, was \$404,600. The top half of the agency averaged \$610,000 each and the average policy came to \$11,573.

Stressing the fact that quality business has always been the aim of the agency, Mr. Phelps emphasized that one of the major prizes given by the agency is for quality business, the winner being determined by first year lapse, lack of \$1,000 policies, premium per collection and frequency per \$1,000. The winner of this prize was a two-year MDRT member, William McKechnie.

The grand prize winner in volume was Clarence Smith. Other prize winners were Henry E. Gaddis and Henry W. Shedd.

C. F. Axelson, a long-time member of the agency, presented Robert S. Harris with a 40-year pin.

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January 29, 1954

LIFE INSURANCE EDITION

7

Bankers National Has Agents' "Work-a-thon" at N. Y. City Meeting

NEW YORK—More than 150 Bankers National field men gathered at the Hotel Taft, New York City, for a novel two-day "work-a-thon".

Agency department men in 10 hours of shirtsleeve business sessions combined information on new policies and procedures with actual instruction in the use of new forms and material.

The meeting was conducted by William J. Sieger, vice-president and agency superintendent, who opened the afternoon session with a report on the job done in 1953, a record year for the company with more than \$50 million of new business and a substantial increase in reserves and surplus.

New family income policies, featuring an immediate death benefit in addition to the standard \$10 and \$20 monthly income provision, were introduced by William Freeman, assistant superintendent of agencies. He reported on other new policies and procedures including a "Jumpin' Juvenile," a non-par annual renewable term, a non-par selected risk whole life, and demonstrated several new self-completing illustration forms covering the most popular life forms.

A complete pension trust program was introduced by Richard O'Brien, assistant superintendent of agencies; Elmer Hardebeck, actuary; and Walter Rogers, agency secretary. Bankers National agents will be able to offer a full range of pension coverage, including retirement income, retirement annuity, terminal benefit and deposit administration combinations. Details of the plans and forms available are contained in a new pension trust manual.

The evening session was conducted by Samuel J. Foosaner, Newark tax counsel, who led a question and answer seminar on advanced underwriting with particular stress on today's corporate and partnership needs for life insurance. Next morning, the program resumed with Charles Bell, policyowners service manager, explaining the company's new simplified settlement option request form. John Brundage, assistant to the president, talked about company pluses. A complete new line of A&H policies with greatly increased benefits, including first-day sickness, was introduced by Ray McCue, A&H manager, who also showed how to complete the new combination sales story.

The final talk of the "work-a-thon" was by President Ralph R. Lounsbury, who commented on the company's strong financial position and his personal optimistic convictions about the prospects for life insurance selling during 1954.

Special Policy for Women

Northeastern Life has brought out what it says is the first special life insurance policy exclusively for women to be offered in New York state. Rates, which are non-par, are the lowest for any whole life contract with disability premium waiver now sold in the state, according to the company.

The woman's policy is offered in minimum amounts of \$5,000 and maximum of \$25,000, from ages 10 to 60. Both single and married women are eligible. The policy contains the same provisions and benefits as Northeastern Life's principal policy for men, a preferred whole life contract, which is unusual in providing no settlement options.

Northeastern has appointed Mrs.

Anetta Cornell Cree as home office representative to promote sales of the new policy. She joined Northeastern last fall after having been with the New Jersey Bell Telephone Co. as a public relations representative working principally with women's groups.

Atlantic Coast Life Ups Braid

Alexander J. Braid has been named agency vice-president of Atlantic Coast Life of Charleston, S. C. He entered the business with Liberty Life of Greenville, joined Independence Life of Greenville in 1932 and Atlantic Coast Life in 1936.

Bureau Gets Set for Educational Parley

Bureau of A. & H. Underwriters will conduct Feb. 2-3 an educational seminar at New York.

L. B. Soper, New York Life, chairman of the governing committee, will give the welcome at the opening session and there will be introductory remarks by George E. Light of Travelers.

A. Howard Hotson of Zurich will be discussion leader of the talks on underwriting major medical with the basic plan insured by another com-

pany, and this will be followed with a talk on "Today's Market for Group Insurance" by Winston S. Fliess of Johnson & Higgins.

In the afternoon, Fred R. Gibney, Prudential, will be the discussion leader, as brief talks are given on deductibles in basic hospital expense plans and claim problems in relation to underwriting.

On the second day, there will be discussions of group coverages on less than 25 lives, the future of the group A. & H. field, and trends in loss of time coverage, with M. D. Miller of Equitable Society, in charge.



**Minnesota Mutual
is proud of all its
associates . . . but
particularly of**

SAMUEL R. WEEMS McAllen, Texas

"Dean of the Minnesota Mutual Sales Force"

On the job for 33 years, Sam Weems' long association with Minnesota Mutual has shaped a career of phenomenal success and prolonged leadership in which both he and we—his company—take great pride. As he now completes his thirty-third year of outstanding service, we tell "his story" with great pleasure indeed.

Sam Weems could easily have been the inspiration for one of those Horatio Alger stories wherein the hero invariably rose from errand boy to financial tycoon, for that is literally what happened to Sam.

Born in the small country town of Griffin, Georgia, the third child in lawyer-planter Weems' family of seven, Sam graduated from high school at the precocious age of 15. To get a start in business, he "hired himself out"—at no salary—as errand boy for the Oglesby Grocery Company, one of the largest firms in nearby Atlanta. He rose from position to position so rapidly that he had become general manager of the company before he was 21. He held that position until he resigned on his thirteenth anniversary.

Sam's next business venture took him to a large furniture manufacturing company in Atlanta where he became secretary, treasurer and sales manager. Again he was highly successful—so much so that he decided to organize his own furniture factory in Mississippi. But here three years of yellow fever, a year of record-breaking drought, and a final year of devastating floods, wiped out his business.

It was then that Sam moved to Dallas, Texas, and entered the life insurance business. He had just one

acquaintance in Dallas, exactly \$7.50 of working capital in his pocket. As usual, he was so successful that he developed a general insurance agency which ultimately employed some 20 people in the office.

On May 13, 1920, Sam Weems became the Texas State Agent for Minnesota Mutual. In 1922 he sold his accident, fire and casualty insurance lines to the employees who helped develop them, and thereafter he devoted his entire attention to life insurance. The succeeding 14 years of association with this firm were extremely rewarding, both for himself and the Company.

Sam Weems' personal record in the life insurance business is an inspiration to every fieldman. Always a top producer and one of the nine organizers of the Million Dollar Round Table of which he was a "qualifying" member fourteen times and is now a life member, he paid for \$1,944,000 in his best year. He has also qualified for the Company's App-A-Week Club for 1,144 consecutive weeks—22 years of continuous weekly production. Even after his retirement because of illness in 1935, he soon became active again, opening a new Minnesota Mutual agency in the "Valley" in McAllen, Texas. From this point he still sends in a continuous stream of business.

Minnesota Mutual proudly salutes Sam Weems, "Dean of the Sales Force," and his gracious, charming wife Eva. A man of unwavering loyalty, tremendous industry and inexhaustible initiative, Sam's sales record is without parallel in the 73 years that have elapsed since the Company's inception in 1880.

THE MINNESOTA MUTUAL LIFE INSURANCE COMPANY

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LIAMA Committee Chairmen Named

Richard E. Pille, agency vice-president of Mutual Benefit Life and president of LIAMA, has appointed the following LIAMA committee chairmen: Agency costs, Wallis Boileau, Jr., 2nd vice-president Penn Mutual; annual meeting, Robert H. Denny, vice-president State Mutual; audit, A. E. Wall, agency vice-president Confederation Life; compensation, E. J. Moorhead, associate actuary New England Mutual; cooperation with other organizations, Frank F. Weidenborner, agency vice-president Guardian Life; education and training, Harold W. Gardiner, educational director Northwestern Mutual; human relations, Harold M. Stewart, executive vice-president Prudential; membership, H. P. Anderson, vice-president Life of Virginia; nominating, William P. Worthington, president Home Life of New York; public information, Charles C. Robinson, vice-president and manager of agencies Columbian National; quality business, Sherman M. Southard, director of agencies Prudential; relations with universities, Eber M. Spence, vice-president and director of agencies American United; research advisory, Vincent B. Coffin, senior vice-president Connecticut Mutual; Canadian companies, David E. Kilgour, assistant general manager and director of agencies Great-West Life.

The A&H, agency officers round table, combination companies, and agency management conference committees, elect their chairmen at their spring conferences.

LIAMA chairmen of joint committees will be as follows: Advisory coun-

cil on life underwriter education and training, Homer C. Chaney, 2nd vice-president and director of agencies New England Mutual; agency management training advisory, Karl Ljung, vice-president in charge of agency operations Jefferson Standard, Life Underwriter Training Council, E. L. G. Zalinski, 2nd vice-president New York Life.

Committees of the board of directors have the following chairmen: Finance, Mr. Wall; ways and means, E. A. Phillips, vice-president and superintendent of agencies Standard of Oregon.

Colburn Succeeds Elliott for Northwestern Mutual

Northwestern Mutual Life has appointed E. Parker Colburn general agent at Syracuse, succeeding J. Kenneth Elliott, who resigned.

Mr. Colburn joined the company in 1946 at Wilkes-Barre and was put in charge of the agency in 1950.

Mr. Elliott has been with Northwestern Mutual since 1935. He plans to devote his entire time to sales work with the company.

Cuts Extra-Hazard Rates

Northwestern National Life has reduced the extra ratings on 440 occupational groups of a hazardous nature. In the postwar years, the company has found its loss experience on many hazardous-rate occupations running lower than anticipated.

New Nonpar Rates for Aetna Shown

Shown herewith are the new and old rates for the principal non-participating policies for which Aetna Life recently announced lowered rates. Lowered premium waiver rates for par and nonpar policies were also announced. Rates shown here are for policies without waiver or double indemnity.

	Age 25	Age 35	Age 45	Age 55
Prid.-lst yr. new	\$ 17.35	\$ 23.32	\$ 33.45	\$ 49.85
" " old	18.11	24.22	34.41	51.23
" thereafter new	14.55	20.22	29.86	45.90
" " old	15.31	21.12	30.82	47.28
Ord. life new	15.73	21.30	30.98	47.01
" " old	15.79	21.65	30.98	47.01
10 yr. End. new	99.61	99.90	101.63	105.10
" " old	100.33	100.73	102.09	105.10
15 yr. End. new	63.48	63.81	66.14	70.11
" " old	63.63	64.29	66.14	70.11
10 yr. defrd. End. new	99.47	99.56	100.87	103.16
10 yr. defrd. End. old	100.47	100.39	101.33	103.16
5-yr. term new*	6.31	7.32	11.76	23.97
" " old*	6.31	7.37	11.81	24.06
10 yr. term new*	6.42	7.95	13.70	28.59
" " new*	6.45	8.12	14.09	29.17

*Convertible, non-renewable.

350 to Attend Southland's New Orleans Agency Meet

Some 350 Southland Life qualifying producers, managers and company officials will leave Dallas by special train Jan. 31 to attend the annual agency convention at New Orleans, Feb. 1-3.

Business meetings will be limited to two morning sessions, the remainder of the time, except for the banquet, being set aside for sightseeing and other entertainment.

On the first day there will be a talk on "Telephone Prospecting" by Jack Schwartz, Lincoln National Life, Los Angeles, and an agents' panel with Roland M. Aycock, San Antonio manager, as moderator. Members are Paul Avery, Longview; Jerry Bell, Austin; Harold J. Lipetz, Seattle; J. M. Whitmire, Wichita Falls, and Mrs. L. Jack Nelson, Houston.

Following talks the second day by George R. Cole, assistant vice-president, and Glenn M. Brooks, manager of the A&H department, the life insurance play "Star Dust" written by Laflin C. Jones of Northwestern Mutual Life, will be presented.

Speakers at the luncheons will be Ben H. Carpenter, executive vice-president, and John W. Carpenter, chairman. Production awards will be presented by President Dan C. Williams.

Zavitz Joins Crown Life

L. Richard Zavitz, formerly with Southwestern Life, has been appointed general agent for Crown Life for Dallas and northeast Texas. He has been in the business since 1949.

Martin Heads New Agency

Occidental Life of California has opened an agency at Florence, S.C., with James F. Martin as general agent.

A navy veteran, Mr. Martin entered the business in 1949 with Protective Life and since 1951 has been general agent at Florence for Franklin Life.

New Columbian Nat'l Unit

Columbian National has opened a general agency at White Plains, N.Y., under Michael J. McIntosh. He entered life insurance in 1948 with the Myer agency of Mutual Life in New York City, becoming assistant manager in 1951. He is a CLU, a navy veteran and holds a law degree.

Pan-American Board Larger

NEW ORLEANS—Pan-American Life has enlarged its board to 11, new directors being George A. Lotz and M. B. Wheeler, Sr. Mr. Lotz is president of Lotz Investment & Realty Co. of New Orleans and was one of the

original stockholders of Pan-American Life. Mr. Wheeler is president of the New Orleans investment securities firm of Wheeler & Woolfolk and is also president of the St. Charles Hotel Co. President Crawford Ellis of Pan-American said the directors felt the company had grown to such a size that a larger board was needed.

Name Assistant Counsel

Norman C. Brandt and Kelly H. Stevens have been named assistant counsel for Occidental Life of California. They joined the company in 1950 and 1952 respectively.

ALC Regionals Set for Three Cities

American Life Convention will hold three regional meetings in March. The first will be held at the Roosevelt hotel in Jacksonville, Fla., March 4-5, the others at Cincinnati at the Netherland Plaza, March 8-9, and the Brown Palace hotel, Denver, March 11-12.

The regionals, a feature of long standing with the ALC, deliberately include no formal program at any of the sessions, with the idea that "off-

the-record" discussions by the member company executives and the ALC headquarters staff personnel will produce a more thorough going over of the various problems or questions which may arise. In many cases the subjects before these gatherings are selected in advance by the member companies and sent to ALC headquarters. A list of these subjects are then sent out for consideration of those who plan to attend the meetings.

• Provident Life of North Dakota has made application for a license in California.

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Give More Details on New Policies of New York Life

Here are more details on New York Life's new policies. Other information was presented earlier.

Term to Age 65: The new term to age 65 policy provides coverage to age 65 with level premiums.

Issue ages are 18 to 55 and the minimum policy is \$5,000.

Conversion and waiver of premium provisions are similar to those for the five year renewable term, including the privilege to continue the insurance on the life paid-up at 85 plan at age 65.

Term to age 65 policies have cash values and non-forfeiture benefits. They have no loan values since the cash values, after building up for some years, subsequently decrease to zero at the time of expiry at age 65.

Term-Whole Life and Term-Life Paid-up at Age 85: Term-whole life and term-life paid-up at age 85 policies are issued with initial term periods of 2, 3, 4 or 5 years. Issue ages are 18 to 60.

The minimum policy is \$10,000 on the term-whole life plan and \$5,000 on the term-life paid-up at age 85 plan.

As is the case with policies issued on the life paid-up at age 85 plan from start, a statement from the agent concerning the term-whole life plan will be required if a policy for \$10,000 or more is applied for on the term-life paid-up at age 85 plan.

Estate Builder: The estate builder is a new juvenile policy under which the face amount of insurance increases at age 21 to five times the basic face amount and continues at that amount for life. The policy also provides for return of tabular annual premiums with interest at 2½% per annum in event of death before age 21, in addition to the face amount of the insurance.

Level premiums are payable to age

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65 with no increase when the insurance increases at age 21.

Issue ages are 0 to 14, with graded insurance to age 1 for issue age 0.

Maximum basic face amount is \$10,000 at ages 0-4, \$15,000 at ages 5-9, and \$20,000 at ages 10-14, with ultimate face amounts at age 21 of \$50,000, \$75,000 and \$100,000 respectively.

The double indemnity benefit under the estate builder policy is available at issue ages 5 to 14 and provides double indemnity coverage equal to the basic face amount until the policy anniversary nearest age 21 and equal to the increased (ultimate) face amount from then on.

The estate builder policy includes the new privilege of change at age 25 to the retirement endowment plan, as described under life paid-up at age 65.

The estate builder policy has not yet been approved for issue in New York, Massachusetts or Maryland. In Canada, the policy is available before the fifth birthday only with premium return to the fifth birthday.

Child's Protection Benefit: The child's protection benefit provides for waiver of premiums on the child's policy until age 25 in the event of total and permanent disability of the applicant (before age 60) or in the event of his death.

Such coverage is provided until the child is age 25 or until the end of the premium period for the child's policy if earlier, but in no event does the disability coverage extend beyond the Applicant's age 60.

Issue ages are 0 to 14 for the child and 18 to 55 for the applicant.

The benefit may be included in any new insurance policy (other than single premium) or in a new retirement annuity policy, but only at the time a policy is issued.

Premiums are not on a limited payment basis but are payable over the full period of coverage under the child's protection benefit. They are not reduced if the applicant reaches age 60 earlier, although the disability coverage ceases at age 60.

The premium rate for a child's protection benefit is determined by simply applying an appropriate percentage to the premium for the child's policy (see page 102 of rate book).

Juvenile Policies (ages under 10): Under the A.D. 54 program, 17 plans of insurance are available generally at issue ages 0 to nine. In addition to the new estate builder plan, four other plans have been extended to age 0 (whole life, life paid-up at age 85, life paid-up at age 65 and endowment at age 65). Single premium endowment at age 65 has been discontinued below age 10 due to very little demand.

Because of statutory restrictions, the whole life plan is not issued below age 10 in New York state, and is available in Canada before the fifth birthday only with premium return to the fifth birthday. The estate builder is not available in New York State and is restricted before the fifth birthday in Canada, as mentioned in the description of the new plan. In Canada the life paid-up at age 65 plan is not available before the fourth birthday. Statutory restrictions for other plans remain as before.

As previously noted, double indemnity provisions are issued down to age five (except for single premium policies and policies with premium return to the 5th birthday or to age 10). Waiver of premium provisions are also issued down to age five (except for single premium policies).

There has been a change of title and a new option added to the two plans with premium return to age 10. They will now be known as: 20 payment life or 30-payment life with pure endowment and with premium return to age 10. These policies, available at issue ages 0-9 (except in Texas), provide for return of tabular annual premiums with 2½% interest on death before age 10, with insurance for the face amount thereafter. A pure endowment is payable at the end of the premium period of 20 (or 30) years if the insured is then living. The amount of the tabular cash value at that time, including the pure endowment, equals the face amount of the policy. The new policies include a provision to that effect on the face page.

In addition to the foregoing benefits, the policies contain a new option under which the amount of the pure endowment at the end of the premium-paying period may be applied at net rates to provide additional paid-up life insurance. This option is subject to satisfactory evidence of insurability and of course is not available if the pure endowment is taken in cash or if the policy has lapsed or has been surrendered for cash.

Preliminary Term Insurance: Preliminary term insurance is available for periods of one to 11 months with any plan of insurance except term, term-whole life, term-life paid-up at age 85, educational endowments, single premium plans, or annuities. Issue ages are 10 to 65.

The premium for the regular plan must be payable other than monthly and the application must be made on a medically-examined basis.

Where the preliminary term period is two months or more, the policy may be delivered upon payment of only the preliminary term premium if it is at least 10. However, it is not necessary for the preliminary term insurance premium to be \$10 or more if the preliminary term period is less than two months, since the initial premium for the regular plan must then be collected along with the preliminary term insurance premium and such initial premium is subject to the usual minimum premium rules.

The company will send a premium notice for the initial premium on the regular plan if it is not collected along with the preliminary term insurance premium.

Life Annuities: Single premium life issued either without provision for any refund after death or with instalment refund. Rates for ages under 30 will be quoted on request.

Joint and survivor life annuities without refund are also available. Rates will be quoted on request. Life annuities are on a participating basis.

American Health Has Rally

American Health held its annual meeting at Baltimore, with more than 100 agents attending. President W. Dev. Washburn was the featured speaker and a program highlight was a presentation of the agency of the year award to E. D. Lister, Newark.

• The *Feuer* agency of Equitable Society at Chicago in 1953 initiated more than \$22.5 million in new business. The agency's top producer was Harry Steiner, whose personal volume was in excess of \$4 million, making him the leading Equitable salesman in the country, an honor he also held in 1946.

• Sam Houston Life of Texas is assisting the restoration of the log school in Blount county, Tenn., where Sam Houston once taught.

Housing Committee for NAIC Rally Named

Judge Paul Laymon of Standard Accident, who is the general chairman for the annual meeting of National Assn. of Insurance Commissioners at Detroit, June 6-11, has appointed his housing committee to process applications for hotel reservations, and recommends that those planning to attend communicate with the chairman, who is C. L. Miller, resident vice-president of Standard Accident. Other members of the committee are H. J. Lowry, vice-president of Michigan Mutual Liability; E. J. Rockwell, attorney of Automobile Club of Michigan; W. H. Ekberg, vice-president of Michigan Life, and J. Alfred Grow, Jr., president of Detroit Assn. of Insurance Agents.

Life & Casualty Ups Three

W. W. Thomas has been appointed manager at Brownwood, Tex., by Life & Casualty. He has had 13 years experience with the company.

C. P. Hodges, formerly superintendent in Murfreesboro, Tenn., has been made manager at Tuscaloosa, Ala. T. W. Brents, former manager at Tuscaloosa, has retired because of ill health after 25 years with the company.

H. T. Ford has been made manager at Gadsden, Ala., where he has been superintendent for 18 years.

Time Gets Racine Group

RACINE, WIS.—In spirited bidding, the Racine county board of supervisors voted to award the contract for employee hospital, surgical, medical and life coverage to the General Insurance Agency, representing Time of Milwaukee. The catastrophic type of coverage was requested by the county employees. The county will pay the individual premium of \$4.64 per month, and employees with families may obtain coverage for dependents by paying an additional \$5.95 a month. Six insurers submitted bids, of which two were rejected because the price exceeded the limit set by the county, and three were rejected because it was held they did not comply with specifications.

Walker to Western States

John P. Walker, Jr., who resigned recently as vice-president of Reserve Life, has been named vice-president of Western States Life of Dallas, which was recently converted from a mutual to a stock basis. Mr. Walker, who will have charge of the home office, was formerly a vice-president of the Southland Life, from which he resigned about two years ago. He has had about 30 years of insurance experience.

Put Off Imberman Suit

NEW YORK—The suit of Imberman et al. against Equitable Society directors, brought as a result of criticisms made in the New York department's examination report, was adjourned from Jan. 18 to Feb. 18.

• The H. S. Easton agency of Home Life of New York at Cleveland has moved from the NBC building to larger quarters at 2254 Euclid avenue. The new quarters are modern in every respect including air conditioning. Since taking over the agency nine years ago, Mr. Easton has increased volume 10-fold.

• The Willard L. Momsen agency of Northwestern Mutual Life at Milwaukee celebrated its most successful year at an agency dinner. Sales for 1953 put the agency in second place nationally in company ranks.

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INDIANAPOLIS PANEL

Says Colleges Not Such Fertile Ground for Recruiting

"My attitude on college recruiting has changed completely in the past seven years," Dr. R. I. Mehr, head of the insurance curriculum at the University of Illinois, told a meeting of Indianapolis General Agents & Managers Assn. as half of a two-man panel discussing "Campus Recruiting."

"Seven years ago, I used to be surprised when one of our strong graduates did not make good in the business. Today I am surprised when one does," he reported.

This doesn't necessarily mean the life insurance business should give up on college recruiting, Robert Hedges, instructor in insurance at Illinois, the other half of the panel, declared. "If you don't recruit men off the campus, what are your alternatives?

1. "You can recruit the man who didn't get to go to college. Today, more and more, the only men who don't are from the lower-income groups where their natural contacts do not give them the starting market every new man needs.

2. You can pick up the 'culls' who haven't made the grade in other lines.

"3. You can wait until later and then try to sell men already on their way to success in other lines on leaving those lines and coming into the business."

Mr. Hedges stated the qualifications of the average college graduate to be about age 22, not much experience at earning money, probably single, and 16 years of schooling. On the other hand, the qualifications for even a chance at success in the life insurance business are initiative, ambition, average intelligence, access to people who can buy, a zeal for life insurance.

"There is a tremendous gap between the qualifications the college graduate has and the qualifications the job calls for," Mr. Mehr pointed out. It takes two to five years to bridge the gap, and you can figure out yourself what that amount of time will cost you.

Mr. Hedges reported that the same difficulties do not obtain in the general insurance field where a man can be hired in an agency to handle servicing and pay his way while learning the business. As a result, Mr. Hedges said, more and more University of Illinois insurance graduates are going into the fire-casualty rather than life field.

Messrs. Mehr and Hedges were in disagreement on the practice of starting the college student in with a part-time contract while still in school. Mr. Hedges reported some of the best successes at the University of Illinois were men who started in with part-time contracts in their junior year.

"You can also ruin a lot of good men that way," Mr. Mehr charged. "It divides their attention between selling and school."

H. C. Graebner, dean of the college of business at Butler University, Indianapolis, who served as moderator, declared himself in agreement with Mr. Mehr.

The college man can take instruction and follow orders, Mr. Hedges said, but he cannot figure out his own work. The school has taught him the tools to use to succeed in life underwriting, but the agency must teach him how to use those tools.

"You have a big selection, training, financing, and supervision task ahead of you if you are going in for college recruiting," Mr. Mehr concluded. "When it comes to buying college graduates, we are in a seller's market. Jobs for good men today are a dime a dozen. You can't tailor the man to fit the job. You've got to tailor the life insurance job to fit the man. It can be done. It is being successfully done. But it's a big and a costly job. Unless you are prepared to pay the price, don't go into college recruiting."

A meeting feature was presentation

to J. R. Townsend, Sr., retired general agent of Equitable Life of Iowa in Indianapolis, a framed certificate of lifetime, honorary membership in the association.

• Fred B. Wiley at a meeting of Seattle Life Managers discussed "Giving Recognition and Building Prestige for Agents".

• Louie E. Throgmorton, vice-president in charge of public relations for Republic National Life, will speak at the Southern Area Sales Managers Conference to be held Feb. 2 at Chattanooga.

Chicago Assn. Planning Gala Party for Feb. 12

The council of field underwriters of Chicago Assn. of Life Underwriters is staging a Fellowship Party on Lincoln's birthday at the Edgewater Beach hotel. There will be dancing to Carl Schreiber's orchestra, as well as community singing and a card corner. Purpose is to raise funds to send a member of the council to the mid-year convention of the National association. Victor Rehfeldt, Metropolitan Life, is in charge of arrangements. Gerhard Krueger, Equitable of Iowa, is chairman of the council.

"Plusses"

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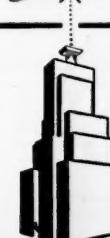
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EDITORIAL COMMENT

A Time of Change and Innovation

The automobile manufacturers with their glittering new 1954-model cars have nothing on the life insurance business this year, what with new policies, new rates, and in some cases new reserve bases being adopted by some of the leading "manufacturers" of life insurance.

In fact, the past year has been notable for the number of instances of going ahead with innovations and changes without much concern about what the rest of the business might be doing.

The most sweeping changes are obviously those being made by New York Life in its new series of policies, not merely because they are different but because they represent such a marked change in philosophy from

the company's high gross premiums and high dividends. It was not so abrupt a shift as it would have been if the company had still been charging the long-traditional \$28.11 per \$1,000 for ordinary life at age 35, for the company got away from that basis some years ago. But the new "A.D. 54" series of policies represents a big change and one that is not only of interest to the people in New York Life. When a company of the magnitude of New York Life completely revamps its policy setup there are not many in the business who can truthfully say that it is of no concern to them.

It seems to be a time of change in the business and doubtless a good many other interesting innovations are in store.

Taxing Thrift and Foresight

In reporting on its 1953 business, Connecticut Mutual adopted a striking but entirely valid way of bringing out the impact of taxes on the earnings of life companies. President Peter M. Fraser pointed out that it takes the entire interest earnings on \$100 million of the company's \$1,012,849,558 assets to pay federal and state taxes, which in 1953 amounted to \$3,813,839.

"While this large sum is paid by the company, it should not be forgotten that it is actually a tax on the individual policyholders who make up the company," Mr. Fraser observed. "Life insurance is surely bearing a heavy burden of taxation and policyholders should be vigilant in protecting themselves from further increases at either the state or federal level."

Mr. Fraser has directed attention to something that should be much more in the consciousness of the American public than it is. Morally, there is no justification for a tax on life insurance premiums nor a federal income tax on life insurance, any more than there is for taxing the money that is squirreled away in the sock, the sugar bowl, or under the mattress. Life insurance is savings, usually representing a substantial sacrifice, and the mere fact that it is done cooperatively instead of individually doesn't change its character. Perhaps it would be a good idea for participating companies to tell their policyholders on their premium notices how much greater the dividend would have been if it were not for income and premium taxes and for stock companies to indicate in similar fashion on non-par premium notices how much lower the rate could have been but for these taxes.

Policyholders' money is so easy for the taxing authorities to get at that there will probably always be a tax against it, regardless of principles involved. But just because these taxes are so tempting, it is all the more necessary for the public to be aware of them and the way they can be notched up unless more policyholders understand that it is their money that is being taken, not that of a vague entity known as an insurance company, for the company, after all, is just a collector of these taxes from the people who really pay them.

PERSONALS

Franklin R. Amthor, chief of agency training at the Equitable Society home office, has been reelected a director of the White Plains, N.Y., community chest and was also elected to the four-man executive committee.

Starkey Duncan of John Hancock has been elected president of the Nashville Council of Community Agencies.

Miss Era Emmons of the public relations and publications department of Life & Casualty of Nashville, has been elected secretary of Middle Tennessee Business Press Assn.

Harold W. Gardiner, educational director of Northwestern Mutual Life, was general chairman of the Milwaukee Scout-O-Rama, an annual boy scout event.

Home office officials and office associates of **R. Slater Brown**, general agent for Equitable of Iowa, honored him with a banquet for 25 years of service. He has been head of the Nashville agency 15 years. Vice-president E. E. Cooper presented a company service

certificate. For the agency **W. F. Alexander**, district manager at Lawrenceburg, presented a bronze plaque.

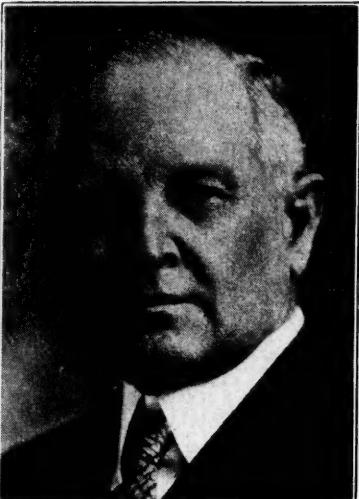
Harold F. Hatch, assistant controller of John Hancock, has been appointed general chairman for the national convention of the National Machine Accountants' Assn., to be held in Boston next June.

Robert D. Harrington, vice-president and treasurer of Massachusetts Protective and Paul Revere Life, has been elected a director of the Worcester County Trust Co., Worcester, Mass.

Mrs. Marie Q. Chambers, director of licensing of agents of the life insurance division of the Texas department, is resigning for health reasons after being with the department for 10 years, the last nine at her present position.

DEATHS

T. LEIGH THOMPSON, 91, retired vice-president of National Life & Accident, died at his winter home at St. Petersburg, Fla. Mr. Thompson was



T. LEIGH THOMPSON

president of H&A Underwriters Conference in 1929. He started with National L&A in 1909 as general manager of its casualty department and was advanced to vice-president in 1923. Before that for six years he was deputy commissioner of Tennessee.

MRS. ELIZABETH WHITE, mother of Mrs. Marion W. Wilson, member of the executive committee of Women's Quarter Million Dollar Round Table, died in a fire and explosion at her home in Shreveport. Mrs. Wilson is with Aetna Life at Shreveport.

P. I. RUTLEDGE, SR., 67, who had opened an agency for Great National Life in Austin, Tex., died. He had asked the company to relieve him of managerial duties and continued as a personal producer until the time of his death, and was one of the leaders of the company for a number of years.

HUBERT B. BELVIN of Durham,

N.C., controller of Home Security Life for many years, died in Watts Hospital, Durham, after a long illness.

JEROME J. KLINGENBERGER, 61, assistant vice-president of Lincoln National, died at Fort Wayne after an illness of two months. He was the company's oldest employee in years of service.

MITCHELL M. ROSSER, 41, of Boston, a trustee of the National Assn. of Life Underwriters and for many years a leading agent for Phoenix Mutual Life, died after several months' illness. He had been a member of the Million Dollar Round Table each year since 1946, and was the second ranking agent in his company for four of the last six years. He led the Boston agency every year since 1946.

Mr. Rosser was president of the Boston association in 1950-51, national committeeman for the Massachusetts association 1951-54, and served NALU on the veterans, agents, and compensation committees. For the past two years he had been chairman of the membership committee. He was elected a trustee in 1952. He had also served as chairman of the Boston LUTC program and as president of the Boston CLU.

He had been with Phoenix Mutual at Boston since 1934, except for navy service.

GEORGE P. SLOWEY, 73, of Bronxville, N.Y., who had been senior inspector in the investigations division of Metropolitan Life before he retired in 1949 after 53 years of service, died in White Plains hospital.

DONALD M. DOUGLASS, 80, Prudential, Des Moines, died at Iowa Methodist hospital there after a lengthy illness. He started with Prudential in 1922 and since 1944 has worked on a part-time basis.

AUGUST J. OTT, SR., 74, for 43 years an agent for Kentucky Central L. & A. at Louisville, died there. He had retired in 1950 because of ill health.

Chicago Telephone Directory Available

The 1954 edition of the Chicago Insurance Telephone Directory now has been published. The telephone numbers and addresses of Chicago insurance people and offices as well as those for allied service organizations are presented. Insurance offices and persons located in the Insurance Exchange building are listed separately from those outside the building, and there is a classified section of firms specializing in insurance company accounts.

Copies may be obtained from the National Underwriter Co., A-1645 Insurance Exchange building, Chicago 4. The price is \$1.

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NATIONAL UNDERWRITER

—Life Insurance Edition

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KANSAS CITY 6, MO.—605 Columbia Bank Bldg., Tel. Victor 9157. William J. Gessing, Resident Manager.

MINNEAPOLIS 2, MINN.—558 Northwestern Bank Bldg., Tel. Main 5417. Howard J. Meyer, Resident Manager.

NEW YORK 38, N.Y.—99 John Street, Room 1103, Tel. Beekman 3-3958. Ralph E. Richman, Vice-Pres.; J. T. Curtin, Resident Manager.

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and has been assistant vice-president since 1947. Mr. Bennington, has been in life insurance since 1948 and for the past year has been general agent at Oklahoma City. Mr. Randolph, who succeeds Frederick Wright, became assistant director last year after having been associate general agent at Rochester, N. Y. Mr. Gallagher, joined the company's Elliott Hall agency at New York in 1923 and has been assistant to the vice-president since 1951. Mr. Miller joined the company in 1934 and has specialized in term loans.

NALU President Has Strenuous Travel Schedule

NEW YORK—Robert C. Gilmore, Jr., president of the National Assn. of Life Underwriters, will return this week-end from an 8,000-mile trip during which he will have visited several major cities.

His first stop was to address a large meeting of agents in St. Paul, Minn., and the other stopping points on his western schedule included Spokane and Seattle, Portland, San Francisco, where he addressed the northern California sales congress; Los Angeles and Pasadena, Salt Lake City, Denver, and Chicago. He wound up his trip in Toronto, where he addressed the annual meeting of the Life Underwriters Assn. of Canada.

Since he was elected NALU president last August, Mr. Gilmore has attended and appeared before many life insurance industry gatherings, in addition to local and state life underwriter associations. In October he attended the annual meeting of the American Life Convention in Chicago and the LIAMA Atlantic Alumni meeting in Rye, N. Y. In the same month he addressed the Milwaukee association, was a featured speaker at the Illinois sales congress in Peoria, and presided at a meeting of the NALU executive committee in New York City.

November found Mr. Gilmore back in Chicago, where he was one of the main speakers on the agency section program of the LIAMA annual meeting. Later that month he addressed the General Agents & Managers Assn. of New Haven, the Indiana state executives in Indianapolis, specially arranged meetings of the Buffalo and Niagara Falls associations and was the keynote speaker at the Rhode Island sales congress of Nov. 24.

In December Mr. Gilmore met with the LUTC board of directors and with representatives of the American Col-

lege. He also addressed the Baltimore and Newark associations and took in the annual meetings of Life Insurance Assn. of America and Institute of Life Insurance in New York City that month.

On Feb. 9 Mr. Gilmore will appear as one of the principal speakers on the program of the trust division of the American Bankers Assn. in New York. March calls for a swing through the southern states, culminating at the NALU midyear meeting in New Orleans. Working his way north following that meeting he will address several of the outstanding local life underwriter associations and attend the convention of his company, Mutual Benefit Life, at Hollywood, Fla. His final stop in April will be Washington, D. C., where he has several important committee meetings scheduled during the time of the annual meeting of the U. S. Chamber of Commerce.

Chicago Union League Ins. Unit to Hold Panel

The insurance committee of the Union League Club of Chicago Feb. 2 will hold a panel discussion for insurance leaders on "The Insurance Outlook for 1954." Moderator will be Levering Cartwright, who is vice-chairman of the club's insurance committee.

H. & A. will be represented by John P. Hanna, managing director of H. & A. Underwriters Conference; life insurance, Alfred N. Guertin, actuary of American Life Convention; casualty and surety, Emil L. Lederer, chairman of metropolitan agents' committee of National Assn. of Insurance Agents; and fire and marine, George V. Whitford, vice-president of Fire Assn. of Philadelphia.

Roy L. Davis, manager of Assn. of Casualty & Surety Companies at Chicago, is the insurance committee chairman.

New Republic Nat'l Office

Republic National Life has opened a second branch at Dallas at 263 Wynnewood Village. E. H. Jenkins is manager.

Figures from Life Companies' Year-End Statements Shown

	Total Assets	Increase in Assets	Surplus to holders	New Bus. 1953	Ins. in Force Dec. 31, 1953	Increase in Ins. in Force*	Prem. Income 1953	Benefits Paid 1953	Total Disbursements 1953
Amicable Life	41,305,913	2,808,282	2,815,337	33,417,646	203,097,388	16,610,374	4,908,509	1,636,175	6,230,256
American General	21,765,691	2,456,040	2,422,716	46,135,956	186,875,522	30,627,547	4,505,385	747,033	2,891,041
Gov't Personnel Mut.	8,056,760	1,670,915	614,006	32,811,634	95,148,021	11,833,125	3,012,666	602,973	1,665,778
Great Amer. Life	5,207,380	370,431	522,592	1,899,026	20,087,459	328,039	516,512	144,413	362,424
Quaranty Savings, Ala.	1,357,808	467,042	471,237	22,165,153	36,359,926	15,917,844	1,090,226	148,707	829,234
National, Vt.	551,834,403	34,602,831	30,186,484	183,138,495	1,412,123,304	101,246,384	53,103,398	35,579,326	68,175,859
Nat'l Fidelity Standard, Ind.	15,077,579	1,104,128	1,906,189	9,747,545	82,636,126	7,125,001	2,253,079	837,927	1,882,859
Trans-America Life	23,560,437	3,995,621	1,512,482	11,289,629	75,871,362	5,073,081	2,898,818	931,408	3,746,810
	4,673,831	765,681	1,014,240	5,525,000	33,061,000	-6,006,308	1,915,250	668,635	1,607,431

SHOW 1953 INSURANCE RESULTS

	New Bus. 1953	New Bus. 1952	1953 Inc. In Force	1952 Inc. In Force
Amicable Life	33,417,646	28,012,130	16,610,374	13,623,159
Bankers, Neb.	58,310,858	53,125,616	31,200,232	32,505,939
Bankers Nat'l	50,206,804	48,856,224	30,079,261	33,595,363
B.M.A.	186,197,785	167,767,725	100,613,123	88,215,678
Central Life, Ia.	42,627,024	39,508,662	20,664,132	20,588,877
Jefferson Standard	183,154,573	153,102,376	98,573,964	97,760,096
Lincoln National	960,451,713	845,784,914	511,581,025	483,872,314
Manufacturers Life	234,916,999	208,812,540	140,473,603	135,023,735
Minn. Mutual	182,769,037	163,590,318	129,765,420	98,509,074
Monarch, Mass.	55,228,555	43,586,308	34,612,553	26,214,797
National, Vt.	163,133,495	140,105,627	101,246,384	90,624,279
Ohio National	106,546,719	88,339,595	65,637,592	53,123,620
Paul Revere	57,848,038	57,873,072	35,343,926	39,494,960
Pilot Life	152,779,527	125,728,737	103,698,030	85,928,761
Provident Mutual	144,107,959	128,405,135	66,180,003	59,246,746
Shenandoah Life	27,882,518	25,328,499	5,465,412	4,747,767
Sun Life, Md.	67,527,773	52,909,225	33,396,051	22,935,304
Volunteer State Life	58,060,619	32,010,544	42,858,307	21,628,524
World, Neb.	112,187,058	91,248,291	10,166,309	44,344,947

New business figures include the following amounts of revivals and increases for 1953 and 1952, respectively: 1, \$7,095,499, \$22,794,373; 2, \$13,058,990, \$14,370,522; 3, \$16,942,201, \$17,988,250.

General American's Top Producers Rally in Mexico

The President's Club convention of General American Life was held at San Jose de Purua, 120 miles west of Mexico City, with more than 180 top producers, guests and home office officials attending. Qualification period for the meeting was 18 months.

A feature of the rally was introduction of a new visual sales presentation. Home office representatives led various business sessions, with the following field men participating: Elmer S. Rosenthal, St. Louis; Fred R. Sale, St. Louis; David Klein, Washington; Jack R. Platt, El Paso; Hunter M. Jones, Fort Worth; Fred F. Sale, St. Louis; Otto A. Jeanes, Chicago; Leo R. Schuster, Jr., El Paso; Harry C. M. Young, Pittsburgh; Frank A. McDevitt, Omaha; Max L. Cooley, Amarillo; Allen Ogilvie, Los Angeles, and Arthur O. Rheiner, Kansas City.

Entertainment and sightseeing made up a good part of the program, and at the closing banquet President Powell B. McHaney reviewed 1953 accomplishments, pointing out the year was the finest the company ever had had.

Winners of awards presented at the meeting were the Schuster agency, El Paso, President's Million Dollar Cup; Jeanes agency, Chicago, Agency Achievement Cup; James J. Roberts, St. Louis, life volume leader; Sylvan Dubin, Houston, A. & H. leader; Mr. Young of Pittsburgh, group leader, and R. W. Ormsby, Chicago, recruit of the year.

Site of the next President's Club convention is to be the Banff Springs hotel in the Canadian Rockies.

W. I. Rosenthal Speaks

William I. Rosenthal, manager for Life of Virginia at Newark, addressed the Washington, D. C., CLU on "Pension Plans for Small Corporations." He emphasized that adequate pension plans for smaller corporations are one of the most effective means of holding key men. He also pointed out that in plans for smaller corporations the tax advantage is substantial when employees who are stockholders are participants in the plan.

"It is of the utmost importance,"

said Mr. Rosenthal, "that the plan be properly designed to fit the special needs of the corporation. Before submitting his proposal, therefore, the pension adviser must spend considerable time in determining the proper eligibility requirements, death benefits if any, disability benefits, employee contributions and vesting."

MDRT Chairman Issues Reminder on Change in Term Credit for '55 Table

BEVERLY HILLS—With aspirants for the 1955 Million Dollar Round Table already building up their credits, Chairman G. Nolan Bearden has issued a reminder that the by-laws as recently amended limit the amount of term insurance for earned credit in 1954 to \$250,000. In addition to this reduction, no credit will be allowed for term insurance written for a period of less than 12 months.

Mr. Bearden, who is an agent for New England Mutual at Beverly Hills, pointed out that there has been a steady reduction in the amount of term insurance allowable for qualification. At one period full production credit was allowed for term insurance. In 1953, he says, term insurance credits were limited to \$500,000. It has now been reduced to \$250,000 for the 1955 table.

According to Mr. Bearden, the number of qualifiers for the 1954 MDRT is expected to be the highest in the organization's history. One group of 243 qualifiers was announced last week and the names of others are to be released as rapidly as they are processed.

Pilot Life Ups White, Vincent, Three Others

Rufus White, Pilot Life's vice-president in charge of agencies, has been elected vice-president and director of sales. J. S. Vincent was appointed vice-president in charge of group sales, and R. W. Donaldson was named manager of agencies.

C. A. Outen, manager of the underwriting and claims division of the combination division, was elected an assistant secretary, as was W. R. Ludwick, manager of the administrative department of the group division.

Chicago Fraternalists Elect

William F. Olsen, Equitable Reserve, was elected president of Illinois Fraternal Field Underwriters Assn. at its annual meeting at Chicago. He succeeds John F. Gierke, Aid Assn. for Lutherans. Lee A. Kweineland, Lutheran Brotherhood, is vice-president.

Christopher Gets V-P Status

M. C. Christopher has been made vice-president in charge of the home office of Southern Union Life of San Antonio. He has had experience as personnel director with other life companies.

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Sales Ideas That Work

Selling Fundamentals Get Panel Treatment by Top Agents at North California Congress

Based on the fact that no sale can be made without first a prospect, the "raw material" from which a complete and useful product issues, this year's Northern California Sales Congress in San Francisco followed the pattern of the manufacturer.

Names, said V. Web Wiedemann, general agent for Equitable Life of Iowa at San Francisco, moderator of the first panel—on prospecting and the approach—make up the raw materials of production. He displayed photos of a logging mill, pointing out the yard must be kept full of logs if the plant is to function.

Mr. Wiedemann had three aides in proving that prospects make Million Dollar Round Table members, or at least high income producers.

D. Paul Fansler, 24, of Fresno, leading producer for Bankers Life of Nebraska, after only four years in the business, attributed his success to constant organized search for prospects, for names in his books—and then following them up. Most of his prospects are referred leads, he said, and the bulk of his business comes from these sources.

He sells mostly personal insurance, seeks the married man as his prime target and he believes that most agents neglect the fertile field of "referred leads."

In seeking leads, he approaches a man of position who is well known among his constituents and has the respect of his immediate circle. And he says something like this after he has that man's attention:

"You know, my business does not allow me to go around ringing doorbells and I'm sure you have many good friends worth knowing"—and goes on from there.

He reminded his fellow agents they should acquire and develop the habit of asking for names from people they know have a wide circle of friends, business associates and acquaintances. He said that no agent should hesitate to ask for the cooperation of others and realize that it is business-like to ask for business support just as men in other lines seek the business support of others.

In obtaining names from new policyholders, he goes through a procedure which starts with a complete explanation of the policy on its delivery and follows up something like this:

"It has been a real pleasure to have done business with you. My business does not permit me to go running around aimlessly pushing doorbells but I'm sure you have some very good friends or relatives or even business associates whose success and welfare you are interested in—"

His approach to a referred prospect is along these lines: "Mr. Prospect, my name is Paul Fansler. I'm a life underwriter. I have just done some very pleasant business with a good friend of yours who seems interested in you. Life insurance is a very complicated business and only a few people really understand it. The hardest part of my job is to find the right people to explain it to—and so I asked your friend. He has a respectful opinion of you and your family. My object today is not

so much to urge you to buy more life insurance as to give you some information regarding your social security benefits. There have been many changes in the social security law." He asks for the prospect's present policies for examination and he promises recommendations and suggestions, closing with "If you decline my recommendations your payment will be a better understanding of your present life insurance in its relation to your social security."

James V. Lawry, Northwestern Mutual Life, million dollar producer at San Francisco, said he has five basic sources of prospects, the first being "people I know". He said agents should not hesitate to call upon friends, and they should forget the old theory that friends "may give you a token policy because they think they have to help you out". Such sales are easier because of prior knowledge of the friend's family, position, habits, ambitions, etc.

Persons employed in offices and plants where he visits to call upon present policyholders or other prospects are another source. He does not try to conceal his object, his business or his acquaintance with others in the offices and he has sold many policies to employees who have become interested in the purchases by bosses and head employees.

Policyholders who have moved into the San Francisco area have been helpful in getting new leads. On calls, to service and welcome them, he finds often they are eventually good sources for other prospects. He notices everyone on the street—has a habit of observing people and has found that he often nods to acquaintances and people he has met—so he has developed the habit of making a memo on the spot and he follows through. Many of these people, he said, are those he has met through acquaintances, social friends etc., who have introduced him at some time or another. He watches the financial pages of the newspapers—particularly for changes and promotions among people associated with organizations where he has some friend or acquaintance or policyholder.

Arnold Panella, a life member of the Million Dollar Round Table said the agent must live by the philosophy that "we have something to sell—not that we have to sell something."

He said that 60% of his business comes through policyholders and policyholders' sources and that he paid for more than \$300,000 of new business in 1953 obtained through his getting three referred leads on applications.

He urges agents to call back on policyholders, citing many instances this practice has paid off. He suggested the new man study a set sales talk and set 100 lives as his first year goal. With such a basis he believes that by the end of two years the new man will have a sound foundation upon which to build a constantly growing market. He believes that after a certain period the agent should go back over his sales and study the sales pattern to determine which appears to be his particular market.

He believes in helping others in other lines of endeavor. He refers all inquiries about other lines of insurance to general brokers on a reciprocity basis—and this, he says, works. He also phones company policyholders moving into the territory, discusses their policy, the service available, what the policy values are after so many years—and suggests that the man call at the office at a set date, mutually agreeable. "Try it—it works," he said.

Presentations were given by four men who duplicated daily practices which have paid off for them—and in two cases, for the agents in their agencies. First demonstration was a sale to meet a mortgage condition and William R. Bills, recruiter and trainer for the Arthur Hemphill agency of Equitable Society, moderator of the panel, reminded the audience that more than 90% of the "home owners" of the country are bound by mortgages and need protection against death and loss. Thomas A. Callahan, Equitable Life of Iowa, Palo Alto, made the mortgage demonstration with the help of Harry Q. Johnson of his agency, his prospect.

John Reginato, manager of West Coast Life at Oakland, demonstrated the social security approach which is his principal channel in launching young newcomers into the business. Mr. Reginato has a set presentation and he trains his men to memorize it and its use provides a definite track to follow at their start in the field. Such an approach is interesting to the newcomer, he said, and more easily appreciated as a basic sales idea.

Jules Routbort, Penn Mutual, San Francisco, talked on the use of life insurance for retirement income. He displayed the knack of making the plan seem better and more attractive by first setting up the maximum periods and then saying "but, you do not have to wait until 65 if you do not want to, to retire". He then asks about savings and suggests, as an example, "Can you put aside \$75 a month?", "No" says the prospect, "Can you put aside \$50?", "No—I don't think so—that would be pretty hard under present conditions". "Well, how about \$40?", "Well, we may be able to scrape that up from what's left after the mortgage, taxes and other expenses of trying to live well". "Then," said Mr. Routbort, "\$35 would be a lead pipe cinch, wouldn't it?" And Mr. Prospect agrees.

In his talk, using the policy value of \$10,000, Mr. Routbort says, "Now that's the least important part of this discussion," and he then shifts entirely to the income plan...constantly referring to "money is worth only what it is earned", illustrating his point each time with figures, showing how much it would take in cash accumulated to earn a set sum per year or month.

Robert Levin, Equitable Society, another MDRT member, demonstrated that a package sale is aimed to be closed on the first interview. Target is a young man in his 20's—age 25 and the sum \$5,000. Mr. Levin uses a folded application blank, using the back for his figuring. When the case is about ready he just turns it over and starts filling it in. He emphasizes that in five years the life insurance will be more important to the prospect; he will probably be married and have children by that time—he reminds him that the amount can be increased; that the policy can be paid up in 25 years—at age 50—but "then you will be

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thinking about retiring or getting to the age when you want to call it quits" —and he shows how much more will be handy in cash if the policy is kept in force and dividends allowed to accumulate.

The panel on "closing the sale" was conducted by Hugh W. Davy, San Francisco manager for Home Life of New York. Members were Gordon C. Maxson, Penn Mutual; Winston P. Woodman, Home Life; Eve Byron Wyatt, New York Life and Jack A. Otero, Union Central, all of San Francisco.

Stimulating the desire to produce more by the use of more intelligently directed and controlled effort was demonstrated by five Million Dollar Round Table members. Discussing short cuts, time savers, larger average cases, specialty types of business such as "business insurance," were Edward J. Mintz, New York Life, Salinas; Edwin T. Golden, New York Life; R. Edwin Wood, Phoenix Mutual; Karl Bach, Penn Mutual, all of San Francisco, and Glenn Baker, Equitable Society, San Jose.

Jefferson Nat'l Boosts Capital by One-Third

Jefferson National Life is paying a 33% stock dividend to holders of record on Jan. 20. This increases capital from \$300,000 to \$400,000. The stock dividend is the third since the company was organized.

New Bankers L & C Office

Bankers Life & Casualty has opened a new sales office at 2323 North Monroe street, Spokane, Wash. Manager is Ralph Jacobson, who was an agent and later a supervisor at the regional headquarters in Denver.

F. E. Rasmussen Advanced

Fred E. Rasmussen has been appointed purchasing director of Northwestern Mutual Life. He has been appointed purchasing director of Northwestern Mutual Life. He has been supervisor of the supplies and service division since 1950. He started with the company in 1922.

Mass. Mutual Ups 3

Massachusetts Mutual has appointed James Greenwood personnel secretary, Stevens L. Shea planning secretary, and Ralph A. Robbins manager of the index department, succeeding Warren E. Jewett.

Mr. Greenwood joined the company in 1932 and has been assistant secretary since 1951. Mr. Shea, who joined the company in 1931, has been assistant secretary since 1952. Mr. Robbins has been with the company since 1925 and has been supervisor of the index department since 1952. Mr. Jewett joined the company in 1907 and has been manager of the index department since 1934.

Hancock Men Honor Anderson

District agents in the Greater New York region of John Hancock recently presented vice-president Olen E. Anderson, chairman of the company's new agency committee, with a record production of \$71,883,913, in commemoration of the formation of the committee. The volume of production, representing combined issued and paid-for business accomplished between Sept. 1 and Dec. 25, was presented to Mr. Anderson at a testimonial dinner at the Waldorf-Astoria hotel, New York City.

- The Levin agency of United Benefit Life and Mutual Benefit H&A at Chicago has been awarded the companies' president's cup for having the largest percentage of increase in production among all of the companies' agencies during 1953.

Beats 106-Year Record By Writing \$3 Million

Karl Bach, of Penn Mutual Life's Forrest J. Curry agency in San Francisco, who fled Germany in 1933 and arrived in New York City at the age of 16 with \$10 in his pocket, broke a 106-year company record in 1953, when he was the first to write more than \$3 million in one year. This accomplishment covered over 200 lives—all life insurance of average-size policies.

He entered insurance in 1943. In 1946 he produced more than \$1 million and kept that pace until 1952, when he doubled the figure.

When Mr. Bach reached New York City 20 years ago, he spent his only \$10 for room and board, then he went to look for a job. He had done butchering in Germany and was hired at 30 cents an hour, 50 to 60 hours a week. When he was 20 he, with his parents who had joined him in this country, moved to San Francisco, where he started his career as a salesman with the Fuller Brush Co., despite language difficulties, he became Fuller's star salesman.

His interest in selling life insurance was aroused by a member of the Curry agency, who insured his father. A life and qualifying member of the Million Dollar Round Table, Karl Bach has earned the national quality award for seven years.

"Search" Program Extended

As a continuing public service contribution to the health and welfare of the American people, the Mutual Broadcasting System in cooperation with the Institute of Life Insurance is extending its presentation of the dramatized documentary series, "The

Search That Never Ends" through the winter and spring months of 1954.

Some of the future subject material already planned includes community living, the common cold, adult education, vocational guidance, the public health officer, the parent-teachers association, atomic medicine, and studies of family conflicts and tensions, among others.

A nationally prominent guest speaker talking on the topic of the week will be introduced during each broadcast by Dr. Louis I. Dublin, health and welfare consultant to the institute.

Siegmund Opens Own Firm at Los Angeles

William H. Siegmund, for 13 years general agent of Connecticut Mutual Life at Los Angeles, has resigned and organized a new company, Benefit Plans Consultants, with offices at 609 South Grand avenue. Though the new company, of which he is president, is completely independent, Mr. Siegmund is continuing with Connecticut Mutual as associate general agent.

Before going to Los Angeles in 1940, Mr. Siegmund was with the company at Chicago for three years in supervisory work. Under his direction, the Los Angeles agency rose from last to 19th place among all company agencies. He is a navy veteran.

Pension Group Meets Feb. 4

NEW YORK—The American Pension Conference will hold a dinner meeting Feb. 4 at the Vanderbilt hotel. Subjects to be discussed are requirements that employees have the unrestricted right to name beneficiaries of death benefits; widows' pensions, individual and group permanent life insurance policies under profit-sharing plans; and profit sharing distributions during employment. The speaker will be Isidore Goodman, technical adviser to the pension trust branch of the internal revenue service.

S. N. Ain has been elected chairman of the conference's steering committee, other members being A. W. Brown, M. H. Alvord, E. H. Schlaudt, Arthur Meuche, F. T. Burrows, treasurer, and F. P. Sloat, secretary.

Claim Group Names Committee Chairmen

International Claim Assn. has named the following committee chairmen for the current year:

Group, George W. Lane, Jr., Metropolitan; personal A&H, Howard Le Clair, Mutual Benefit H&A; life, Daniel A. McCabe, Prudential; lay adjusters, Harlan S. Don Carlos, Travelers; public relations, Francis X. Reilly, Guardian Life; service claims liaison, Godfrey M. Day, Connecticut General.

Also, program, W. Franklyn White, Mutual Benefit Life; entertainment, Wallace Wessels, Phoenix Mutual; transportation, John E. Steudel, Aid Association for Lutherans; hotel accommodations, J. M. Williams, Columbian National; auditing, Turner O. Houston, Peninsular Life; law, H. A. Davis, Occidental Life.

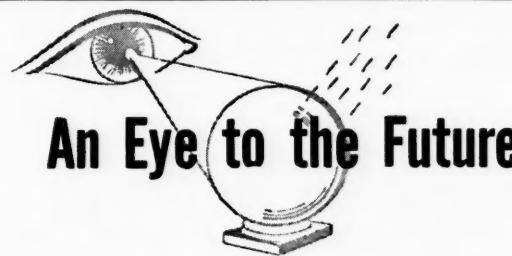
CLU's Hear Glasser

Central Illinois CLU chapter held its mid year meeting at Peoria. Joshua B. Glasser, general agent for Continental Assurance at Chicago, spoke on "Opportunities for Group and Pension Business", the same talk he delivered at the 1953 meeting of the Million Dollar Round Table. A round table discussion followed his address.

Three Swett & Crawford Meets

The life department of Swett & Crawford of San Francisco, Union Mutual Life general agency for California, Washington and Oregon, staged meetings for brokers at San Francisco, Los Angeles and Seattle to introduce a new non-can A&H policy. Speakers included Charles H. Biesel, San Francisco manager; Alfred W. Perkins, vice-president at the home office, and Leslie P. Schultz, western director of agencies at Los Angeles.

- Will H. Froelich, president of Milwaukee Assn. of Life Underwriters, and Dale B. Potts, president of Milwaukee A&H Assn., both with Occidental Life, addressed a dinner meeting of Milwaukee Sales Executives Club.



DURING the past year, we of The Maccabees have reflected on the 75 years which have elapsed since the founding of our society. Our vision, however, has not been directed entirely on the past. In fact, the greatest emphasis has been placed on plans for the future.

Positive steps have been taken to assure continued growth for our society, increased service to our members and solid support for our representatives.

During this anniversary year we have introduced a new technique in insurance selling featuring "packaged programs." We offer insurance plans designed to fit primary needs and "package" them with effective sales aids and sound prospecting systems. These new methods have met with marked success during our Anniversary Sales Campaign just concluded.

We look to the future confident that we will continue to keep pace with the growth of America.



THE MACCABEES
DETROIT, MICHIGAN

Indianapolis Men Form BBB Insurance Arm

Indianapolis insurance men moved quickly when the local Better Business Bureau reported that it was being swamped under a rising tide of inquiries about insurance which, in 1953, shot the insurance business to second place in inquiries to the bureau.

In action sparked by Claude Jones, general agent for Connecticut Mutual Life and NALU trustee, a group of industry men met with the manager of the Indianapolis BBB in a two-hour planning session after the two local Sunday papers had given the Bureau's statistics on number of inquiries two and three column heads.

As a result of the meeting Indianapolis Life Underwriters Assn., Indiana Assn. of A&H Underwriters, and Indianapolis Board of Fire & Casualty Underwriters were asked to appoint members to an advisory committee to aid the bureau.

First function of the committee will be to make a survey of inquiries to the bureau and the Indiana department to determine the percentage of complaints to total claims. This move was recommended by Roy MacDonald, director of company relations, H&A Underwriters Conference, who was at the meeting.

Second function will be to give technical assistance to the bureau. Phillip Bayt, former Indianapolis mayor and municipal court judge and manager of

the local BBB, reported that about 70% of all inquiries could be handled over the phone. Approximately 30%, however, require some investigation of policy provisions and circumstances of the disputed claim.

This 30% of the inquiries will be turned over to the committee, which will report its findings to Bayt, who will take whatever action the bureau deems advisable.

"While the committee itself will be purely advisory," Mr. Jones declared, "it will serve to lighten the load on bureau and will remove any feeling on the part of insurance men that the business is being 'attacked' by an outside source and assure them that actions of the bureau are based on sound and friendly advice. Finally, we feel that the very existence of such a committee will be evidence to the public that any sharp practices revealed are not typical of the business and are frowned upon by it."

Mr. Bayt's figures showed that a call to the bureau about insurance rose from 874 in 1952 to 1208 in 1953. Of the calls in 1953, 373 were on casualty and surety lines, 277 on life, and 539 on A&H. (These break-down figures were through Dec. 9; whereas the total figures above were for the full year.) Calls in 1952 were 138 on life, 266 on casualty and surety, and 470 on A&H. Of the 539 A&H calls in 1953, only 17 turned out to be valid complaints.

The 17 "valid complaints," according to the bureau, involved just three companies. Mr. Bayt further reported that many of the calls were to check on the reliability of the report concerning the flood of new companies entering the business in Indiana in 1953.

Others at the planning session were Oren Pritchard, manager of Union Central; James Bettis, general agent Berkshire Life; Fitzhugh Traylor, manager Equitable Society; J. E. Whittington, general agent Monarch, and president of the Indiana A&H Assn.; Charles Ray, assistant A&H manager Hoosier Casualty; R. W. Osler, vice-president Rough Notes Co., G. L. Browning, casualty manager Glens Falls, and H. H. Perry, assistant vice-president American United Life.

Life Leaders Luncheon

St. Louis Life General Agents & Managers Assn. has planned a life leaders luncheon to be held Jan. 29 at the Chase hotel. "Life leaders" will be chosen by the general agents or managers of their respective companies.

Conn. SBLI Sells \$2,491,050

The Connecticut savings bank life insurance system issued 1,740 individual policies for a total of \$2,491,050 in 1953, up 9% in volume. Insurance in force at the year-end was \$22,850,547, of which \$18,180,547 was in individual policies and the rest in group.

Tenn. Valley Life Changes

Tennessee Valley Life has made several changes in its home office and in the field. H. Aubrey Brown has been named agency supervisor, R. B. McCreary home office supervisor, Ralph Lewis district manager in west Tennessee and James H. Price assistant district manager in that territory.

Country Life, Ill. 25 Years Old

Country Life of Illinois is beginning its 25th anniversary with a concerted advertising program that includes magazine, newspaper and radio advertising. The company has nearly \$600 million of life insurance in force, making it the largest life insurer operating solely in Illinois.

BERKSHIRE GENERAL AGENTS HOLD FOUR-DAY MEETING; HEAR RECORD DRIVE SCORE

BERKSHIRE GENERAL AGENTS HOLD FOUR-DAY MEETING; HEAR RECORD DRIVE SCORE

Berkshire Life held a four-day conference at Pittsfield, Mass., for 46 general agents and supervisors at which it was announced that the annual "roll call" campaign had produced a record \$7,054,781 from Jan. 4 through Jan. 15. This included 1,004 life applications, and 256 A & H applications, submitted by 270 agents. Twenty of the company's 35 agencies reported that all of their agents answered the "roll call" with new business.

The Boireau agency at Boston led in life production with \$1,631,355 on 161 applications. McCombs-Tooker at Washington was second with \$960,168. The O'Brien agency at Albany led in paid yearly A & H premiums amounting to \$6,354 on 74 applications.

James E. Bettis, Indianapolis, was elected president of the Berkshire General Agents Assn. Frank T. Limont, Pittsfield, Mass., was elected vice-president; W. R. Tooker, Washington, secretary-treasurer, and J. W. Fox, Jersey City, and J. B. O'Brien, Albany, members of the executive committee.

H. S. Hart, agency vice-president, presented the annual awards for the most meritorious service during 1953 to Andrew Kakoyannis, Miami; Hilliard N. Rentner, New York City, and Basil R. Weston, Rochester, N. Y. R. Maxwell Stevenson, Pittsburgh, received the S. S. Wolfson award for the most outstanding performance in the 1953 "Berkshire Boosters" campaign. Frank T. Limont, Pittsfield, and S. S. Wolfson, New York City, were cited by Mr. Hart as directors of two of the most successful production campaigns of 1953.

Winners in Group Contest

Clair A. Thomas, Jr., won the "national head man" plaque for top standing in the Equitable Society group insurance contest, while the Woody agency of Harrisburg, Pa., of which Mr. Thomas is a member, won the "national head agency" plaque in the same contest.

Top Award to Mersfelder

Kansas City Life's agency building award for 1953 was presented to the L. C. Mersfelder agency at Oklahoma City in a special ceremony there by President W. E. Bixby. The agency's production of \$13,293,927 was a 28% increase and the largest volume of all agencies outside the company's home office territory.

Green Light for Benefit Assn.

Commissioner Sheehan of Minnesota has found, after an examination demanded by a member of Minnesota Benefit Assn., that there is nothing irregular in the insurance contract between the association and Equitable Society, which writes the association's group life policies.

The association member who instigated the investigation is Mrs. Mike Holm, secretary of state for Minnesota. Her request was relayed to Governor Anderson, who ordered the audit.

The association is operated by state

employees and Mrs. Holm's demand was prompted by a statement that it operated \$6,000 in the red in both 1950 and 1951, and by more than \$7,000 in 1952.

"All claims have been honored in accordance with policy provision and members have received protection under a group-type plan for more than 30 years," Mr. Sheehan said. His suggestion was that the association "make provision...with a view toward increasing membership". He said that the association's books are all in order and that confusion might have arisen over the "increased rates being charged older members because there has been an insufficient number of young people coming into the group".

Members pay premiums to the association, which, in turn, purchase group life policies from Equitable Society. Manager T. J. Horton explained that losses accumulated because the amount charged members has not equalled Equitable's premiums.

Aid Assn. for Lutherans Honors Top Producers

Aid Association for Lutherans honored its three million-dollar producers for 1953 at a banquet in Appleton, Wis. Carl J. Renekamp, Aurora, Ill., was top producer with \$1,419,250 in paid-for business, followed by Clarence S. Marten, Appleton, \$1,187,020, and Harold W. Riess, Indianapolis, \$1,022,150.

LeRoy G. Stohlman, president, announced that new business paid-for by Aid Association in 1953 was \$89,208,384, a gain of \$12,763,332. Insurance in force now exceeds \$745 million, compared with \$669 million, and assets are more than \$173 million, as against \$159 million.

New Standard, Ore. Policies

Standard of Oregon has new special ordinary and commercial ordinary life policies. The first, offered in the amounts of \$10,000 to \$100,000 will be available on a substandard basis. Premiums are lower than ever before offered by the company. At age 35, as an illustration, annual premium per \$1,000 is \$24.87, the average net payment over a 20-year period is \$18.83 with an average net annual cost over the period of 23 cents.

The commercial policy, also available on a substandard basis, will be offered in amounts of \$5,000 and up to business and professional people and farmers.

Great-West Promotes Three

Great-West Life has appointed W. P. Latournerie manager of premium collections, B. Popeski actuarial assistant and Norman Powell supervisor of branch office administration. Mr. Latournerie joined the company in 1932, Mr. Popeski in 1942 and Mr. Powell in 1924.

Aetna Life Promotes Alspaugh

Douglas J. Alspaugh has been named assistant life advertising manager of Aetna Life, succeeding Charles R. Choquette, resigned. He has been in sales promotion work since 1949 and recently was with a California life company.

ASSISTANT GENERAL AGENT

* * * * *
Wanted For Brooklyn Life Agency
Of Large Massachusetts Company.

* * * * *
Substantial Income Assured To Right Man.

* * * * *
Previous experience helpful, but not necessary.

* * * * *
Applicant Must Be Well Versed In Today's Selling Market

* * * * *
Phone, Mr. Kibrick, MAin 4-5765

Surveys Health Services, Extent of Insurance

(CONTINUED FROM PAGE 2)

gery, 25% obstetrics. The average charges for all personal health services is approximately \$205 per family. About 1 million families incurred charges equaling or exceeding half their annual incomes and about 500,000 families incurred charges equaling or exceeding 100% of their incomes.

Of families receiving hospital insurance benefits, 50% had 89% or more of their gross hospital charges covered by surgical insurance.

No expenditures for personal health service appear to be so closely correlated with income as dental service. Of all families, 44% incurred no dental bills and 4% incurred more than \$195. Differences among income groups are sharp, particularly when charges of more than \$45 are included.

The report suggests that families below certain incomes should have all or nearly all of the costs of surgery covered. Payments made by insurance for surgical costs fall far short of equaling the total charges. The difference seems to involve more than a normal deductible or coinsurance feature. It would be very useful to know prevailing surgical insurance benefits in relation to these fees by region. To what extent is the low proportion of costs covered by surgical insurance due to low fee schedules established by insurance in relation to prevailing surgical insurance increase the per unit surgical costs?

There is a great demand for maternity benefits and they appear to have a firm place in health insurance contracts though many insurance people feel they have no logical place in an insurance program.

The general hospital admission rate for all families was 12 per 100 persons per year. Those with insurance had a rate of 13 and those without insurance a rate of 10. Average length of hospital stay for all persons hospitalized was 9.7 days with virtually no differences between those with insurance and without insurance.

The number of hospital days for 100 persons per year was 100 days; for those without insurance the rate was 110 per 100 persons, and for those without insurance the rate was 80.

Insured rural-farm population had a hospital admission rate of 17 per 100 and insured urban population 12. There was no difference for those not insured. There were 6 surgical procedures per 100 persons per year for all families, 7 for insured families, 4 for uninsureds.

Surgical procedures per 100 persons per year for all families were 6, among insured families 7 and uninsureds 4.

There has been a great increase in utilization of personal health services since 1940. Some of the increase is attributed to the rise of voluntary health insurance and greater availability of facilities, and some to improved economic conditions for most families. Insurance per se is followed by an increase in utilization which is the chief reason there is still debate as to whether personal health services are insurable or not. Fire insurance does not necessarily increase fires nor does life insurance increase the death rate, but health insurance does increase the utilization rate of personal health services, since the need for health services is not as easily determined as the fact of

fire or the finality of death.

What was normal utilization 25 years ago is no longer normal because so many factors have changed—buying power, new medical discoveries, and people's attitudes towards hospitals and other health services.

Hospital admissions by income group indicates that not until the family income is \$7,500 or over does the hospital admission rate for those not insured equal the rate for insured. In groups below \$7,500 there is an appreciable difference between those with insurance, generally 25% higher for insured. Among families without insurance there is comparatively little difference between income groups till \$7,500.

The high admission rate of 19 in the lowest income group among insured can be explained partly by the fact this group contains a higher proportion of people 65 or older.

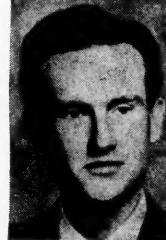
Surgical insurance increased the number of surgical procedures. Surgical procedures per 100 persons where there is insurance is 7, in families without insurance the rate is 4. Families with insurance have almost the same amount of surgery, regardless of income. The same is true of uninsureds. Insurance makes the difference.

Stall, Todd, Reynolds in Pacific Mutual Changes

Joseph J. Stall has been named assistant secretary of the group department of Pacific Mutual Life. Replacing him as Los Angeles group manager is



Joseph J. Stall



J. Frank Todd

J. Frank Todd, formerly assistant manager H. Eugene Reynolds is the new Los Angeles assistant group manager.

Mr. Stall joined Pacific Mutual in 1947 and opened and managed the Seattle group office in 1949. He returned to Los Angeles as manager in 1951.

With Pacific Mutual since 1949, Mr. Todd opened the company's Washington, D. C. group office in 1950 as manager. Recently he also has been responsible for the company's Philadelphia group office.

Mr. Reynolds went with the company in 1950 and two years later was named group manager at Detroit. He was transferred to Los Angeles in 1953.

Peoria List Expanded

A recent NATIONAL UNDERWRITER article noted the names of a number of men prominent on the life insurance scene who sprang from Peoria. An important addendum to this list is W. Harold Bittel, who is actuary of the New Jersey department.

He was born at Atlanta and was assistant actuary of the old Peoria Life. He left the shores of Lake Peoria in 1934 and was with the New York actuarial firm of Woodward, Ryan, Sharp & Davis until going to Trenton in 1944.

New York Life has moved its Eau Claire, Wis., branch to a more modern location on the second floor of the Professional building, 513 South Barstow street. It is managed by C. Kenneth Maudsley.

ASSOCIATIONS

Asso. to Back Newscaster

Indianapolis Assn. of Life Underwriters has contracted to sponsor Donald D. Bruce, local radio commentator, for 13 weeks. Mr. Bruce presents a weekly Sunday news review program over Indianapolis radio station WIRE.

Foley N. Y. Congress Chairman

NEW YORK—Timothy W. Foley, general agent State Mutual, has been named as general chairman for the annual all-day sales congress of the Assn. to be held March 11 at Hotel Astor. Vice-chairmen are George P. Shoemaker, general agent Provident Mutual, and Arthur L. Sullivan, general agent Fidelity Mutual.

Farrell Trophy to Charleville

At the Los Angeles Life Underwriters Assn. luncheon opening the celebration of its 50th anniversary, the Will G. Farrell Trophy was awarded to Joseph Charleville, retired managing director of the association. The trophy, donated by Los Angeles Chamber of Commerce, recognizes outstanding service to life insurance.

SACRAMENTO—Frank W. Bland, Pacific Coast manager for the National Underwriter Co., talked on "The Job As I See It."

ABILENE, Tex.—Hilton Painter, president of Texas Empire L. & A., will talk on "Building Prestige to Build Business" at a luncheon Feb. 6.

COLUMBUS, O.—Myron I. Kelsey, district manager for Prudential at Cleveland, talked on "Requirements for Success in our Business."

ERIE, Pa.—Enoch C. Filer, attorney, spoke on cooperation between the attorney and the agent in estate planning.

MADISON—The annual "New Year Hop-Off Conference" featured the showing of two movies as well as several talks.

NEWARK—Robert R. Cave of Boston, one of the leading newer agents of New England Mutual, spoke.

GREAT BEND, Kan.—Clayton Mammel, Farmers & Bankers Life in Wichita, addressed the General Kansas Association.

TOLEDO—William W. Wrany, ordinary general agent of John Hancock Mutual at Cincinnati, talked on "Quo Vadis".

SCOTTSBLUFF, Neb.—Nebraska Panhandle Life Underwriters Assn. heard Fonda Brown local VA officer who spoke on veterans' insurance. There was a round table discussion on the sale of life insurance in a falling market, presided over by Evangeline McAllister, program chairman.

WAUKESHA, Wis.—The Waukesha County Association heard a discussion on "Agency Training & Development" by John Topliss, assistant educational director of Northwestern Mutual Life.

READING, Pa.—Russel G. John, manager Philadelphia Life, York, spoke here and at West Branch on "Twenty-four Hour Prospecting."

BENTON HARBOR, Mich.—The Benton Harbor-St. Joseph association staged a ladies' night at which Mrs. Ann Liston, South Bend, Ind., spoke.

ROANOKE—William H. Andrews, Jr., manager for Jefferson Standard at Greensboro, N. C., and former president of National Assn. of Life Underwriters, was the speaker.

CHICAGO—Robert C. Gilmore, Jr., president of the National association was the speaker at the Jan. 23 meeting. George Huth of Connecticut Mutual was program chairman. James R. Lytle, personnel manager of the Chicago division of the Kroger company, will be the speaker at luncheon meeting Feb. 1.

LONG ISLAND—Benjamin Rikelman, district manager Metropolitan Life in New York City, was the speaker.

SAN ANTONIO—The association at its January meeting heard its president, C. Stanley Price of Equitable of New York, stress the value of membership in local, state and national associations in securing favorable legislation through numbers. O. P. Schnabel of Jefferson Standard Life, president of San Antonio Life Managers Club, spoke on the prestige of ap-

pearing on a published roster of the San Antonio association and on the importance of numbers in influencing legislation. A film, "A Problem of Life and a Philosophy", was shown through the courtesy of D. J. Farrell, San Antonio general agent for Pacific Mutual Life.

SCRANTON, Pa.—Ben L. Tabor, manager Jefferson Standard, Harrisburg, spoke on "Are You Planning or Wishing for a Good 1954?"

MARSHALLTOWN, Ia.—Speaker was Harold Almen, vice-president and director of sales promotion for Fidelity Life of Illinois.

TOPEKA—Myron E. Blotkey, manager at Kansas City for Prudential, addressed the first meeting of the year on "Portrait of a Star Salesman."

AUSTIN—The association heard at its January meeting a panel of million dollar producers tell of some of their methods. Introduced by Raymond C. Brumely of Southland Life were Huffman Baines and Jerry Bell, both of Southland Life; Sig H. Badt of Southwestern Life, and Walter Emmert, Jr., Austin combination agent of Prudential. The annual Tri-City sales congress of the Texas association will be held at Dallas, Feb. 11; at Houston, Feb. 12; and San Antonio, Feb. 13.

W. C. Bridge has been named superintendent of agencies for Texas Empire L. & A. of Dallas. Mr. Bridge has been in managerial work there.

**LEADER IN
WORLD-WIDE LIFE
INSURANCE and
pioneer in employer-
employee Group
protection plans, the
Sun Life of Canada
gives unequalled
service to the holders
of nearly two million
policies and Group
certificates, from
offices situated in
strategic key centers
around the globe.**



**SUN LIFE
ASSURANCE COMPANY
OF CANADA**

• Head Office: Montreal

Commissioners, Business Share Public Interest Responsibility: Johnson

Insurance supervisory authorities and insurance company managements have a mutual interest in seeing that the life insurance business is conducted at all times in the public interest, Holgar J. Johnson, president of the Institute of Life Insurance, said at the Insurance Society of Massachusetts testimonial dinner given for the retiring insurance commissioner, Edmund S. Cogswell, and his successor, Joseph A. Humphreys.

Citing five basic elements in building and holding public approval for the insurance business, Mr. Johnson said that they apply to all branches of the insurance business.

"To the public, each branch of the business is part and parcel of the insurance business as a whole," he said. "Each of us has certain interests that involve our own phase of the business, but there are many areas where we can and do join together for the common good of the public and our own business."

The five public relations elements listed by the Institute head were:

"1. The agent's performance creates public confidence or approval. He does this by demonstrating his knowledge of the business, his understanding of and ability to present his company's objectives and its policy of service. To the extent that he is successful, he gives proof of the fact that he has the customer's interest at heart as well as his own and his company's interest. The agent deals with the public as individuals, but it is the consensus of these individuals which determines public approval."

"2. A second element is the company's performance in dealing with the public throughout the life of the contract—either directly or through the agent. We are in the business of insuring risks. Naturally, we are entitled to have the facts upon which to appraise a particular risk and an adequate premium for insuring it. It is important, however, that in getting at the facts we recognize that we are dealing with people, not just applications. It is also important that we make clear to people that the premiums we ask are reasonable in relation to the services we perform. Beyond this, the public has the right to expect that we will honor their just claims promptly and fairly. But the spirit in which these settlements are made, the tact and courtesy with which they are handled, are important factors in the creation of goodwill.

"3. Because of the widespread social and economic impacts of our business and because the American people depend so much on our institution for the insurance of their financial risks, our business has a broader trustee type of responsibility than is generally found in other types of business. This trustee relationship is implicit in our relations with those who have entrusted their funds and their security to our care. Beyond that, as to life insurance, the trustee relationship is implicit in the way we invest our policyholders' funds. It is not enough that we conserve these funds and keep them profitably employed; we must also consider how we can help advance the interests of the social and economic well being of the people. Through management's recognition and conscious application of this trustee responsibility in all phases of our business, we have the opportunity to demonstrate to the public that our business is truly operated in the public interest.

"4. Because our business is so dominantly related to the public interest, the supervisory function as exercised by the states can be a most important element in building and holding public approval. The purpose of state supervision is to protect the public interest and this can best be served by sound, well managed companies and qualified

agents. This does not imply that the supervisory authority should in any way lessen or attempt to relieve management from its responsibility. Rather it means carrying out its function so as to strengthen management and its performance in the public interest.

"5. In the atmosphere in which modern business operates, it is not enough to assume that the public understands all these things, true as they may be. It requires constant effort on the part of management and all the segments of the business to see that the public is informed of how well the business carries out its function in the public interest."

A. J. McAndless Dies; Lincoln Nat'l President

(CONTINUED FROM PAGE 1)

LIA income tax committee, of which he was a member at the time of his death, Mr. McAndless was known from one end of the insurance business to the other for his reinsurance activities. He was energetic, realistic and aggressive in promoting the Lincoln National's reinsurance service among all sizes of companies and fraternal societies. He had confidence in his own judgment, even during periods when some companies were curtailing their reinsurance business, and his confidence paid off.

Mr. McAndless was regarded not only as an able actuary but as an astute business man, gifted with keen foresight. He was president of Lincoln National during its period of greatest expansion. The company's rank in insurance in force was 18th at the beginning of 1939, the year Mr. McAndless became president, and was ninth at the beginning of 1953, the latest date for which this figure is available.

The cause of Mr. McAndless' death did not come as a surprise to his friends who recalled that some years ago he had suffered a heart attack at a convention of Union Mutual Life.

Mutual Life Ups Scale; '54 Dividends \$28,116,000

NEW YORK—Mutual Life has approved a higher dividend scale for 1954, under which \$28,116,000 will be paid out. This is \$5 million more than last year. Most of this increase is due to the higher scale, which was adopted in a preliminary action in November and confirmed this week for the entire year.

Nearly all policyholders will receive larger dividends this year, the biggest increases going to policies longest in force. The company also approved payment in 1954 of a first dividend on A&H policies issued in 1952. It will be 5% of the annual premium. Mutual is increasing the interest factor in settlement options, except the interest option, from 2.9% to 3%. The rate will continue to be 2.75 on the interest option, or the guaranteed rate if higher.

Reed Joins West Coast

West Coast Life has appointed Robert W. Reed, Jr., field assistant for southern California, with headquarters at Los Angeles.

Mr. Reed has been assistant superintendent of agencies for the midwest division of United States Life at Chicago. Before that he was vice-president and director of agencies for Constitution Life. He entered the business with the latter company in 1949. He is a navy veteran.



R. W. Reed, Jr.

LIAMA Issues Report on Ordinary Written by Combination Agents

HARTFORD—Attempts to improve persistency of policies should be concentrated in the early months, LIAMA's study of ordinary insurance sold by combination agents indicates. The study showed that of policies lapsing in their first two years, nearly 60% were in force not more than six months and that 80% lapsed before any of the second year's premium was paid. As with policies sold by ordinary agents, persistency was found to be consistently better for the higher income groups. In all income groups, policies having less frequent modes of payment have higher persistency.

B.M.A. Names Managers in La., Mich. and Cal.

Two branch managers and two district managers have been named by Business Men's Assurance in Louisi-



Robert E. Cook



T. J. Tomlison

ana, Michigan and California. T. J. Tomlison and Robert E. Cook have been named managers at Shreveport and Detroit respectively, and R. E. Meek and Berl Hewitt are new district managers respectively at Grand Rapids and Oakland, Cal.

Mr. Tomlison joined the B.M.A. at Dallas in 1925, was appointed district supervisor there in 1936 and in 1946 went to Shreveport as district manager. Mr. Cook, in the business since 1943, has been district manager at Detroit for B.M.A. since 1953.

Mr. Meek went with the company in



Berl Hewitt



R. E. Meek

1949 and in 1951 was appointed district supervisor in the Fox River Valley territory of Wisconsin, with headquarters at Appleton. Mr. Hewitt started in the business with B.M.A. in January of last year, and in the preceding 12 months produced more than \$1 million.

Mary Flanagan "Points" Editor

Mary Flanagan has been named editor of *Points*, monthly field publication of Mutual Life. She joined Mutual as an editorial assistant in 1951 and has been assistant editor since 1952. She is a former editor of the *East Orange Record*, a weekly newspaper in New Jersey.

Hearing Set on Company Change

Commissioner Gold of North Carolina will hold a public hearing on plans of State Hospital Assn., Inc., of Tarboro to convert from a hospital-

medical service corporation into a stock A & H company.

He also will hear evidence concerning charges of mismanagement leveled against association officers by Mrs. Barbara P. House of Rocky Mount, widow of the company founder and a former president. Mrs. House recently lost a proxy battle in an effort to regain control of the association.

Hogg Joins Equitable as Senior Vice-President

(CONTINUED FROM PAGE 1) war, he engaged in law practice in West Virginia from 1916 to 1935. Since early in his career, Mr. Hogg has continued an active participation in public affairs. While in the state senate he was chairman of the committee on taxation and finance. In 1930 he was elected to fill an unexpired term in the 71st Congress and for the full term in the 72nd Congress, serving until March 4, 1933. He was active in drafting important national legislation in those years, including the original Lindberg Act.

St. Louis Assn. Hears Talks; Makes Changes

"Ideas That Produced a Million for Me in 1953," was the theme of talks by three "millionaires" at a luncheon meeting of the Life Underwriters Assn. of St. Louis. Program stars were John E. Percival, Jr., special agent, Penn Mutual Life, and James J. Roberts, agent, General American Life, both of whom made the Million Dollar Round Table for the first time in 1953, and also William King, general agent, Fidelity Mutual Life, who paid for in excess of a million dollars in both 1952 and 1953. Mr. King is a past president of the St. Louis association, the CLU chapter, General Agents and Managers Assn. and the Missouri State Assn. of Life Underwriters.

Miss Mildred Topping, who served as executive secretary of the St. Louis association while employed by General American Life, has resigned from both positions to accept a position with the U. S. Government in Washington, D. C. Miss Kathleen Erickson, cashier with Occidental Life of California, is the association's new executive secretary.

Robert E. Davis, general agent in St. Louis for Equitable Life of Iowa was elected to the association board to fill the unexpired term of Doug Macdonald who moved to Tulsa.

Blowers Franklin Life N. E. Ohio Sales Director

William G. Blowers, general agent for Franklin Life at Johnstown, Pa., has been promoted to regional sales director in northeastern Ohio.

Mr. Blowers joined the company at Pittsburgh in 1950 and the following year opened the Johnstown office as general agent. He now will have headquarters at Cleveland.



William G. Blowers

The Findlay agency of Jefferson Standard Life at Austin, Tex., has moved to larger quarters at 1014 Brazos street.

Joseph W. Stretch, Jr., has been named assistant vice-president in charge of the life, group and pension department of Cosgrove & Co. of San Francisco.

F. L. Conklin Chairman, H. A. Jones President of Provident Life, N. D.

Henry A. Jones, who has been vice-president of Provident Life of North Dakota since 1942, has been elected president to succeed Fred L. Conklin who becomes chairman. R. W. Edick has been named vice-president and secretary. He has been secretary.

The company, which during the past year became licensed in California and Wyoming bringing to seven the number of states in which it operates, is constructing a new home office building.

List Main Speakers for Saratoga Springs Meet of N. Y. State Managers

The principal speakers at the annual managerial conference of the New York State Assn. of Life Underwriters to be held at Saratoga Springs, Feb. 19-20, will be John Fistere, sales development manager of Fortune Magazine; Dr. Christian C. Luhnow of Trusts & Estates Magazine; Dr. Livingston W. Houston of Rensselaer Polytechnic Institute; Byron V. Elliott, executive vice-president of John Hancock and Vincent B. Coffin, senior vice-president of Connecticut Mutual. Mr. Coffin will sum up the various talks at the close of the session.

An innovation will be tried this year in the form of an "organized bull session", with discussions led by Holgar Johnson, president of the Institute of Life Insurance; Charles J. Zimmerman, managing director of LIAMA; Ralph G. Engelman, life insurance sales consultant, New York City, and J. Frederick Benedict, New York regional director of the Federal Small Business Bureau.

Paul H. Conway, John Hancock, Syracuse, is chairman. Cooperating with him on the program are L. V. Drury, Sun of Canada, Philadelphia, area chairman for the general agents and managers conference of National Assn. of Life Underwriters, and Lawrence W. Jackson, executive assistant of GAMC. Requests for reservations should go to Spencer L. McCarty, executive secretary of New York State association, 75 State street, Albany, or Mr. Jackson at 11 West 42nd street, New York City.

Ohio Assn. Winds Up Five City Sales Caravan

The sales caravan of Ohio Assn. of Life Underwriters is winding up an itinerary which embraced five cities. General theme of the caravan is "Objections - a Very Interesting Subject to Discuss".

Panel members and the cities in which they spoke are: Toledo: Gilbert Templeton, manager at Zanesville for Metropolitan, moderator; Elmer H. East, Massachusetts Mutual, Mansfield; Richard Ford, Bankers of Iowa, Lorain; and Floyd Smith, Prudential, Sandusky; Youngstown: Foster O'Neill, Mutual of New York, Youngstown, moderator; L. A. Spencer, Equitable Society, New Philadelphia; and John H. Moyer, Prudential, Akron; Canton: Barwin Farber, Ashtabula, moderator; Bryan Wallack, Central Life of Iowa, Painesville; and Earle Jossie, John Hancock, East Liverpool.

Columbus: C. Nelson Black, Phoenix Mutual, Springfield, moderator; John V. Johnson, Mutual Benefit, Hamilton; Leland B. Chatfield, Western & Southern Life, Portsmouth; and John W. Hoffhines, Mutual of New York, Chillicothe; and Dayton: Walter H. Ziegler, Lincoln National, Marion, moderator; Thomas H. Gillough, New England Mutual, Wooster; Reeland E. Bick, Prudential, Findlay, and Robert W. Hinders, Metropolitan, Lima.

The association has arranged a semi-

nar to be held March 17-19 at Ohio State University with William E. Hoyler, John Hancock, Columbus, in charge. The annual convention will take place at Cincinnati May 6-8. William R. Wray, John Hancock, Cincinnati, is convention chairman.

Special Committee Named to Aid Agent Training Fund; Clark Is Chairman

A special committee has been created to function in the interest of the cooperative fund for underwriter training and as liaison between the American College and the life insurance industry. The committee, which has as its chairman Paul F. Clark, president of John Hancock, will carry on and expand upon the extensive work of prior committees for the fund.

The cooperative fund was initially set up by LIAMA in 1937 to assist candidates taking the CLU examinations. Companies participating in the fund contribute on a pro rata basis, except for certain specified minimums and maximums.

A special finance committee, headed by Harold M. Stewart, executive vice-president of Prudential, was named by the trustees of the American College a year ago to conduct a comprehensive survey of the operations of the college. The committee advised that additional revenues should be provided and recommended that the basis of subscriptions to the fund be increased from 50 cents per million dollars of ordinary in force, less certain exemptions, to 75 cents per million, and that examination fees for each CLU part be increased from \$30 to \$50—these fees not to be effective, however, until the examinations in 1955.

Sun Life Makes Changes in Agency Department

E. P. Higgins, superintendent of agencies of Sun Life of Canada, retires at the end of this month under the company's pension plan and Seth C. H. Taylor becomes director of sales promotion and training, M. D. Loucks superintendent of agencies, eastern United States division, and A. A. Stanley assistant to the director of agencies.

Mr. Higgins has been with Sun Life since 1925. For a time he was a manager at Toronto. He is a CLU.

Mr. Taylor was an officer of Western Union Life when it merged with Sun Life in 1928. From manager at Cincinnati he moved to Montreal as assistant superintendent of agencies in 1937 and became superintendent the following year. He is a CLU.

Mr. Loucks joined Sun Life in Montreal in 1927. A year ago he was named associate superintendent of agencies, western U. S. division. He is Canadian air force veteran.

Mr. Stanley has been with Sun Life for 30 years. He became assistant superintendent of agencies in 1947 after having been an assistant manager in Toronto. He also is a CLU.

Fraternals to Give Blood Unit to Phila. Red Cross

A bloodmobile purchased from funds contributed by U. S. and Canadian fraternal benefit societies will be presented to Philadelphia Red Cross Feb. 15. L. J. Bayley, secretary of Unity L. & A., will officiate at the presentation. The bloodmobile project is an activity of the public relations committee of National Fraternal Congress. Several other such units already have been presented to other cities.

Harmelin Leads Columbian Nat'l

The Harmelin agency in New York City led Columbian National Life in 1953 in life volume and over-all new premiums.

Late News Bulletins . . .

Would Require Welfare Funds to Report

ALBANY—Sen. Wicks of Kingston, former Senate majority leader, has introduced a bill that would require labor unions maintaining welfare funds for their members to file annual reports with the New York department giving names, addresses and salaries of officers and employees of the funds.

Continue A & H Debate in N. C.

North Carolina's public committee on A&H voted at a meeting in Raleigh to ask an industry committee for an elaboration on its proposals and made some suggestions of its own.

Also, former Commissioner Cheek, sounding the sentiments of the public group, predicted legislative action in 1955 if the industry does not act before then to solve the problem of sudden cancellations of A&H policies.

The public group asked the industry committee to elaborate upon its suggestion that A&H companies be required to file with the commissioner their procedure in retiring from risks because of deterioration of health of insured. Would this mean a multiplicity of plans or was it intended that some standard procedure be adopted, the public group asked.

The committee also proposed that each company writing term A&H be required to show the customer, at the time of the sale, a full statement of the company's right to cancel. This statement, the committee said, should be in type of at least 14 point and on a sheet separate from the policy.

Commissioner Gold said he would transmit the public committee's suggestions to the industry's committee.

Industry Liaison Group for FTC

WASHINGTON—To assist the federal trade commission and the A&H business in the FTC investigation of A&H, a special liaison advisory committee has been set up. Eugene M. Thore, general counsel Life Insurance Assn. of America, is chairman, other members being Ray Murphy, general counsel Assn. of Casualty & Surety Cos.; Robert L. Crichton, attorney American Life Convention; Ralph McNair, administrative assistant of LIA, and Alvis Layne, counsel Assn. of Insurance Advertisers.

It is understood that the committee will consult with FTC staff members on the preparation of a circular letter to A&H companies. The FTC is reported to want every piece of advertising available on A&H and wants information as to the sequence in which the company issued the advertising. Not only advertising relating to the sale of A&H but the renewal and reinstatement of policies is sought by the FTC.

Welfare Fund Agent to Workhouse

John De Feo, co-owner of the Cardinal Agency, Inc., of New York City, was sentenced to 30 days in the workhouse for contempt in willfully refusing to answer questions before a grand jury about kick-backs and split commissions in connection with union welfare plans.

Eastern Casualty, the company writing the plans, was accused by Judge Streit of "paying lip service" to the insurance law that requires an agency to submit vouchers for expenses exceeding \$100. Assistant District Attorney Scotti brought the contempt citation because of De Feo's refusal to tell how his agency spent more than \$100,000 a year for "entertainment" and alleged that it conspired with labor racketeers to split the commissions for handling union welfare funds. Mr. Scotti said Eastern Casualty paid Cardinal and another agency not only the regular commissions but also paid officers of the agencies additional funds which he said were kick-backs—"and we want to know who got them."

The other agency was Alcor, in which the murdered labor leader, Thomas Lewis, had an interest through his wife.

Schultz Succeeds Walker

Paul H. Schultz has been elected secretary and general manager of National Masonic Provident Association, succeeding R. L. Walker who has retired after 44 years with the organization. National writes life and A. & H. for Masons only.

Mr. Schultz has been with National Masonic since 1935, most recently as assistant secretary. Mr. Walker has been secretary and general manager for 21 years.

Holding Membership Drive

Texas Leaders Round Table of Life Underwriters is conducting its first drive for membership. To become a member the underwriter must be a full time personal producer, a member of the Texas association, the state local and national association, legal resident of Texas and have a 70% persistency in production of \$200,000 paid business. A statement of qualifications has been mailed to all companies. No company official is eligible for membership.

Elliott Sees Bigger '54

President William Elliott of Philadelphia Life forecast 1954 as a bigger year for the life insurance industry than the record-smashing 1953 in his talk at the annual "bosses night" banquet of the Atlantic City Junior Chamber of Commerce. Mr. Elliott pointed out that despite 10 years of outstanding production, the relationship between insurance owned and average income is lower than in 1940.

"In a country adding to its wealth, productive capacity and population at the great rate we are, there should be no doubt about the sales of life insurance," he declared.

Tourkow Heads Great Northern

Frederick R. Tourkow has been named president of Great Northern of Fort Wayne, Ind., succeeding Meredith Case who will devote full time to agency direction and building. Mr. Tourkow, a Fort Wayne attorney, has been executive vice-president.

The company now has completed sale of its first stock issue and has received its license to sell life insurance.

THE PUBLIC CONTACT

Everyone who buys an insurance policy of any kind nearly always talks to an agent or broker about it before making a final decision. As a consequence, the opinion of the agent counts very heavily in every insurance transaction; more than some companies seem to realize.

The agent is the point of contact with the public. The buyer of insurance usually refers to his insurance agent by saying "my insurance man" or "he handles all of my insurance matters." In spite of all of the real and imagined competition, it remains a fact that most buyers of insurance make their purchases from an agent rather than from a particular company. In many instances, they do not know the name of the company whose policy they have agreed to buy until the sale has actually been made.

The importance of "selling" the agent cannot be overemphasized. A company simply must be well and favorably known to those who are selling most of the policies because it is the opinion held of a company in the insurance field that largely determines its success and the ease with which an agent may write business for it.

No company should forget that the agent controls the situation. It is for this reason that advertising to the public direct and not advertising to the agent through an insurance newspaper with the circulation and influence of *The National Underwriter* is putting the cart before the horse. Advertise to the agent FIRST. The agent has direct and daily contact with the buyers of insurance. He is the one through whom the sales are consummated.

The NATIONAL UNDERWRITER

Largest Circulation of Any Weekly Insurance Newspaper



Number 10 of a series



JOHN LIESENFELD

"I had offers from 35 companies"

Nov. 10, 1953

Mr. Chas. E. Becker, President
The Franklin Life Insurance Company
Springfield, Illinois

Dear President Becker:

November 26, 1953 marked my seventeenth anniversary in the life insurance business. With the exception of the past month with the Franklin Life, all the time has been spent with one of the nation's major companies. Starting as an agent, I was successively promoted to Assistant Manager, General Assistant Manager, and Manager in one of Texas' largest cities.

Early this year I was offered another transfer—out of Texas. Having developed a love for Texas and its wonderful people I resigned my position.

At age 42, with a wife and four children, I wanted to be certain that I made no mistake in my next connection. As this was the biggest decision my family or I have ever had to make, I decided to take at least 90 days to expose myself to as many companies as possible, and then select. I thought that my main consideration should be along these lines. The company I selected should offer: (1) The best opportunity for financial success. In other words the company which recognizes the sales department as the most vital department, and coordinates all else to keep it such... an everyday reality. (2) Personal friendly leadership and association on a plane that stimulates human dignity and enthusiastic endeavor. A relationship whereby a man feels happy and proud to be a member of the family—not just another number. (3) A reputation of outstanding public service. (4) Products that people desire because they recognize a need for them, and want them. (5) Modern merchandise and merchandising methods superior to those generally found in the industry. (6) Progressive and promotional advertising for the public, the salesman and the company. (7) Stability and a long-standing record of sound investments, methods and operation. (8) Advantages of experience. The company should have been in business fifty years or more.

With this yardstick as a guide I had offers from at least thirty-five companies. While many were attractive, I know that my selection of the Franklin fulfilled every qualification to an outstanding degree. I just don't know how anyone can help being happy and successful with the company so justly called the *friendly* Franklin.

Cordially,

John Liesenfeld



The Friendly
FRANKLIN LIFE INSURANCE COMPANY

CHAS. E. BECKER, PRESIDENT

SPRINGFIELD, ILLINOIS

DISTINGUISHED SERVICE SINCE 1884

One of the 15 Oldest Stock Legal Reserve Life Companies in America

Over a Billion Five Hundred Million Dollars of Insurance in Force